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SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

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TABLES AND CHARTS

FEBRUARY 1981

The February 1981 survey is the 127th in a series of survey of consumer attitudes conducted during the last 30 years. The purpose of these surveys is to measure changes in consumer attitudes and expectations, and to increase understanding of why these changes occur and how they affect consumer decisions to make discretionary purchases or to save. This type of understanding is an essential ingredient for forecasting changes in aggregate consumer behavior.

Two charts are presented for most questions. One gives quarterly results from 1955 to the last quarterly observation. A second chart shows monthly results since January of 1978, when this series was instituted, along with a simple three month moving average, plotted on the last of the three months.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

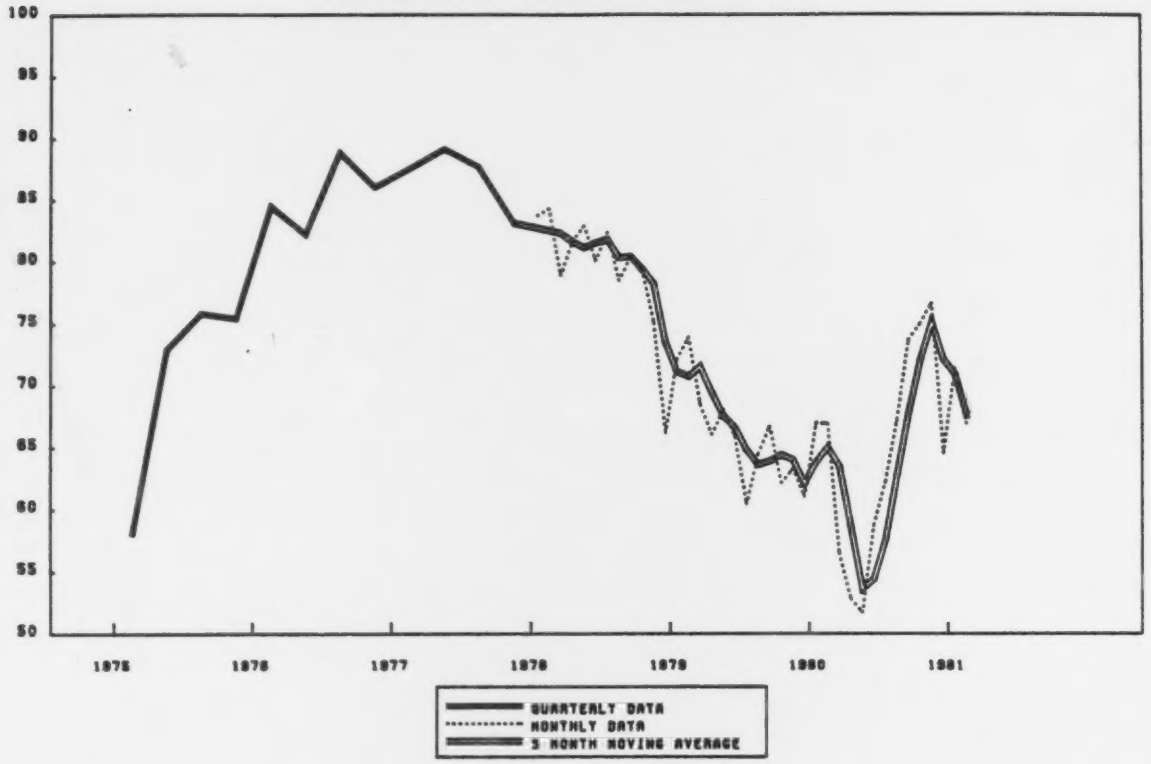

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

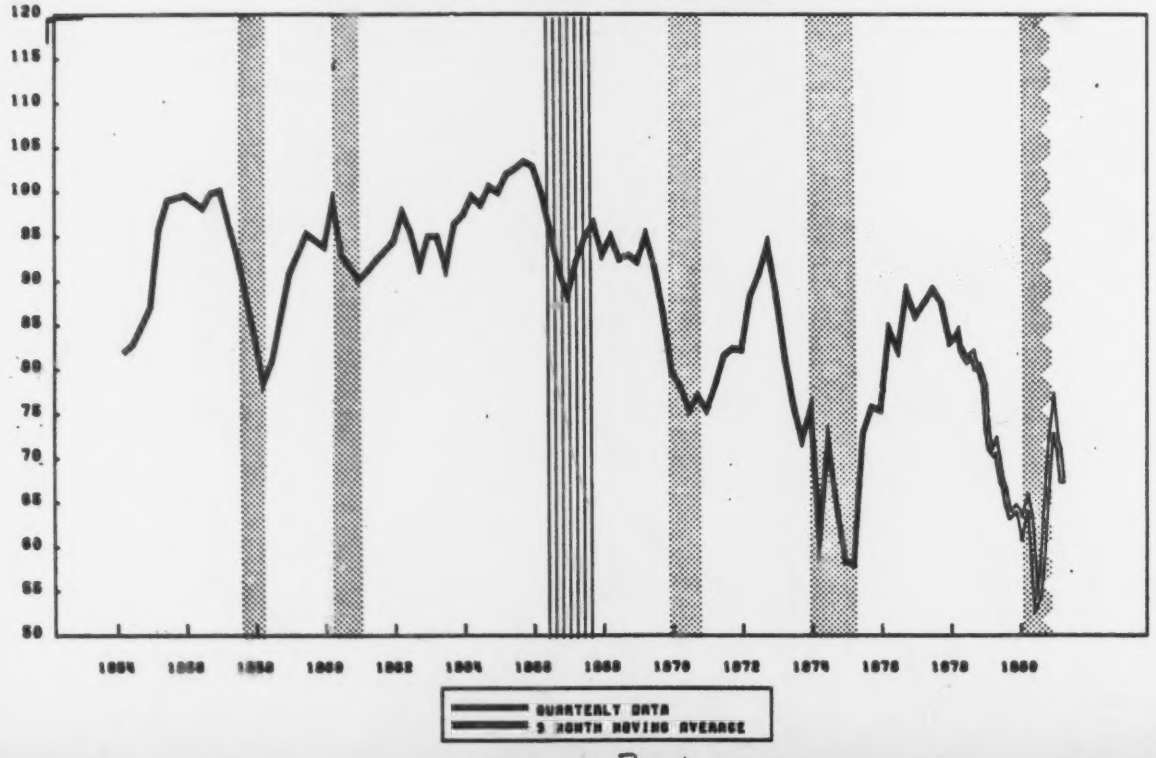

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
February 1978	84.3	98.0	100.1
March 1978	78.8	87.5	93.8
April 1978	81.6	94.5	92.9
May 1978	82.9	87.1	90.0
June 1978	80.0	92.7	94.6
July 1978	82.4	91.7	92.4
August 1978	78.4	85.1	85.4
September 1978	80.4	87.2	87.2
October 1978	79.3	88.1	89.1
November 1978	75.0	81.0	83.0
December 1978	66.1	73.8	76.8
January 1979	72.1	83.7	84.8
February 1979	73.9	84.3	86.6
March 1979	68.4	75.3	73.6
April 1979	66.0	73.7	77.0
May 1979	68.1	73.5	76.7
June 1979	65.8	71.8	72.9
July 1979	60.4	67.2	68.0
August 1979	64.5	70.0	71.3
September 1979	66.7	71.6	74.4
October 1979	62.1	65.6	65.5
November 1979	63.3	68.3	69.9
December 1979	61.0	66.2	73.2
January 1980	67.0	70.8	70.9
February 1980	66.9	70.8	73.5
March 1980	56.5	62.3	64.5
April 1980	52.7	54.2	57.2
May 1980	51.7	55.2	53.3
June 1980	58.7	61.6	63.7
July 1980	62.3	67.6	67.3
August 1980	67.3	70.9	74.2
September 1980	73.7	78.1	78.5
October 1980	75.0	76.3	78.7
November 1980	76.7	82.7	87.5
December 1980	64.5	66.9	68.6
January 1981	71.4	74.8	77.1
February 1981	66.9	74.2	77.5

CHART 2A

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

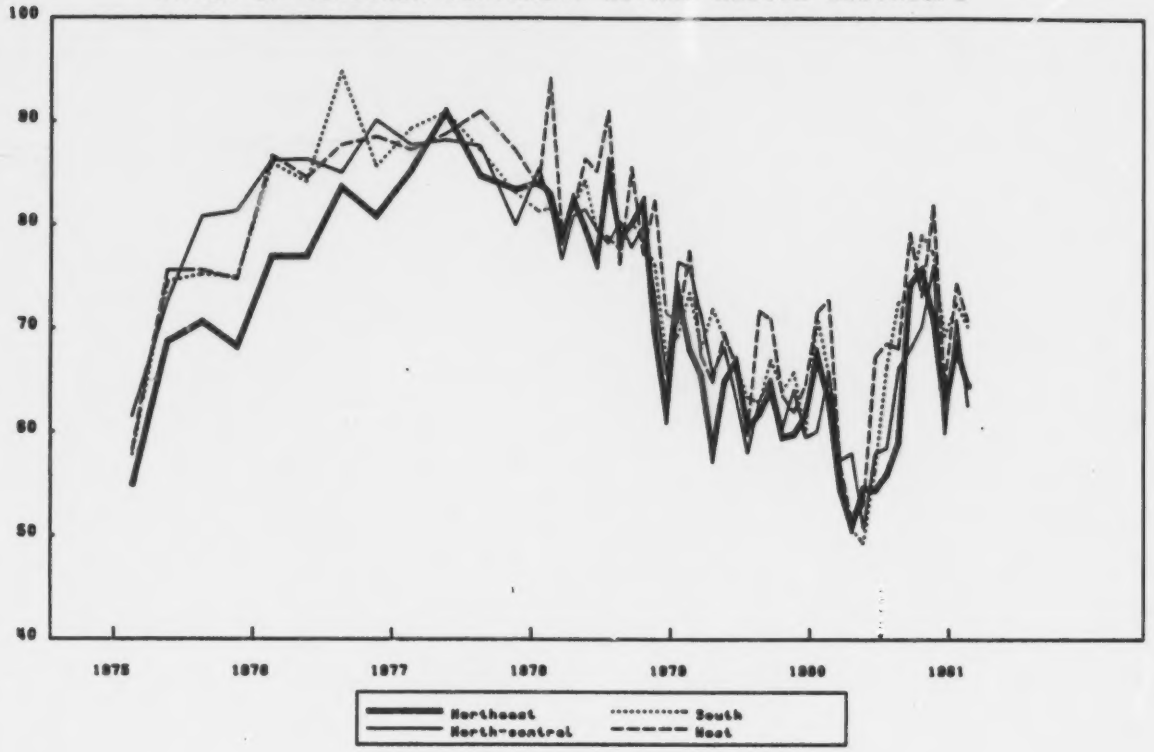

CHART 2B - RECENT CHANGES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

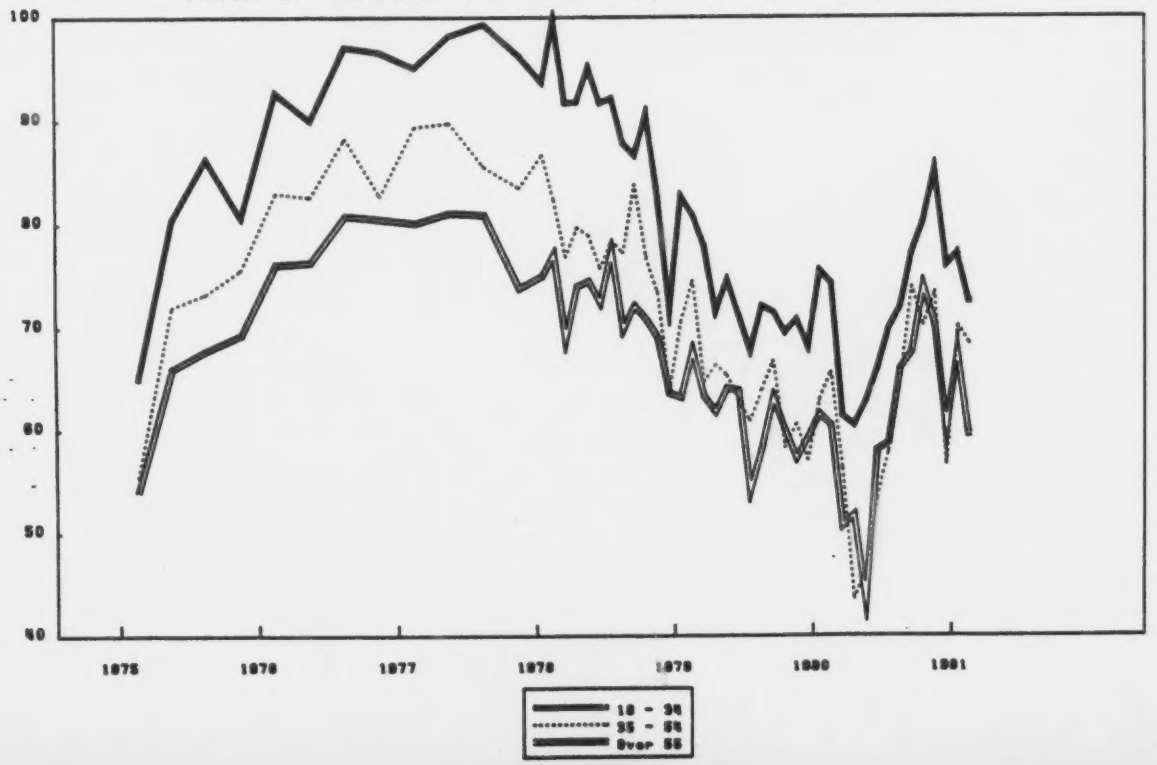

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
February 1978	83.0	81.9	81.6	94.2	99.7	82.3	77.1
March 1978	78.7	76.7	79.7	79.6	91.7	76.8	68.8
April 1978	82.5	80.9	81.6	81.6	91.8	79.7	74.0
May 1978	79.7	81.5	84.3	86.4	95.1	78.9	74.5
June 1978	76.5	79.6	79.5	85.1	91.7	75.7	72.4
July 1978	85.4	78.2	78.8	91.0	92.2	78.4	77.4
August 1978	78.7	80.4	77.6	76.2	87.8	77.2	69.8
September 1978	80.1	77.8	80.3	85.6	86.6	83.9	72.1
October 1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November 1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December 1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January 1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February 1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March 1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April 1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May 1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June 1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July 1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August 1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September 1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October 1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November 1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December 1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January 1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February 1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March 1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April 1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May 1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June 1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July 1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August 1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September 1980	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October 1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0
November 1980	71.1	76.2	77.3	81.9	85.3	73.5	70.3
December 1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1
January 1981	68.2	70.9	72.5	74.4	77.2	70.2	67.9
February 1981	64.5	62.6	70.2	70.8	72.5	68.4	59.6

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

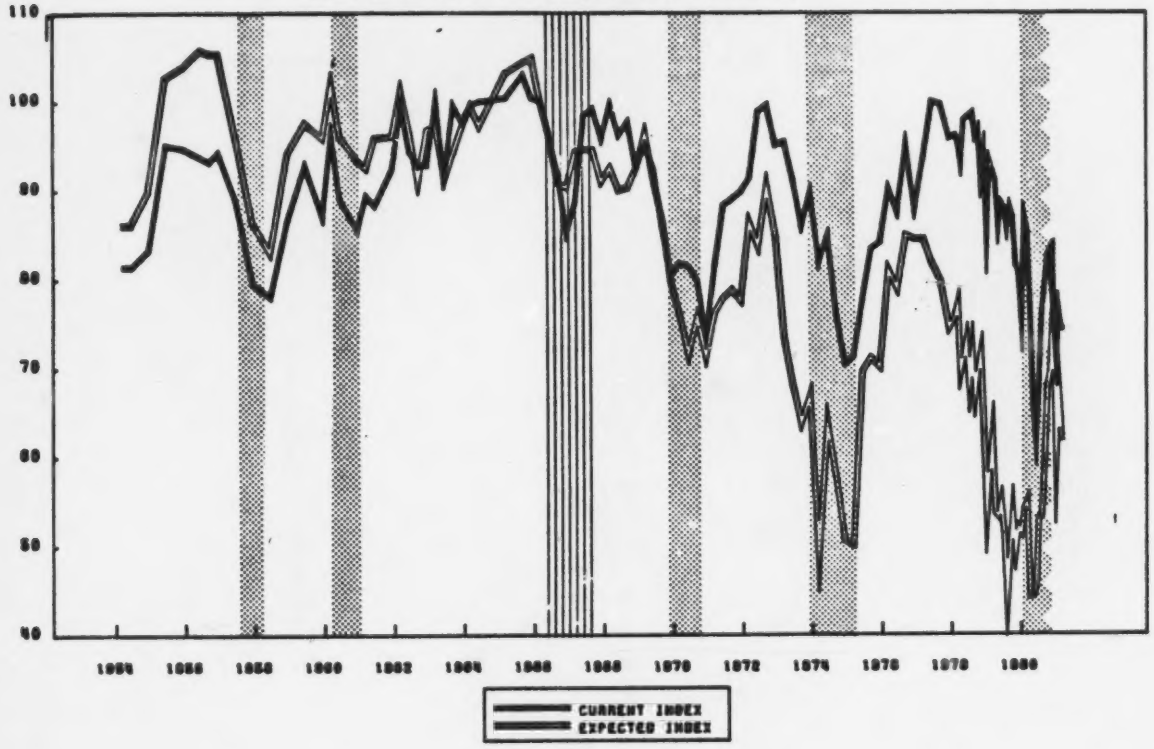

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
February 1978	106	109	108	89	139	95.4	77.2
March 1978	100	107	91	76	140	93.2	69.5
April 1978	104	112	99	71	148	98.0	71.1
May 1978	105	111	99	79	147	98.2	73.0
June 1978	107	102	97	71	146	98.4	68.1
July 1978	108	111	105	69	146	98.7	72.0
August 1978	101	112	82	70	145	96.1	67.0
September 1978	109	109	96	71	140	96.9	69.8
October 1978	96	104	103	77	138	91.2	71.7
November 1978	106	106	74	67	135	94.1	62.8
December 1978	95	96	61	53	123	85.2	53.8
January 1979	101	99	72	58	139	93.3	58.4
February 1979	98	98	75	71	138	92.2	62.2
March 1979	96	99	57	53	138	91.2	53.7
April 1979	85	90	63	55	134	85.9	53.3
May 1979	91	95	58	62	136	88.7	54.9
June 1979	92	91	54	55	134	88.2	51.4
July 1979	90	92	39	40	130	85.7	44.2
August 1979	95	98	46	48	131	88.2	49.3
September 1979	90	98	60	51	133	87.1	53.6
October 1979	83	96	48	49	126	81.6	49.5
November 1979	86	97	52	54	120	80.9	52.0
December 1979	83	101	50	50	110	75.8	51.5
January 1980	96	106	58	47	127	87.1	54.1
February 1980	85	99	55	60	134	85.5	54.9
March 1980	76	92	38	41	116	75.3	44.3
April 1980	73	94	32	45	94	65.8	44.4
May 1980	79	100	31	44	77	61.7	45.3
June 1980	78	101	43	63	93	67.4	53.0
July 1980	90	105	45	58	104	76.1	53.4
August 1980	93	111	63	60	109	79.4	59.6
September 1980	91	117	83	69	121	82.7	67.9
October 1980	90	108	84	83	123	83.4	69.6
November 1980	83	118	94	93	112	76.4	76.9
December 1980	77	100	64	73	104	71.2	60.2
January 1981	80	109	78	81	116	76.7	67.9
February 1981	80	106	64	73	109	74.4	62.1

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

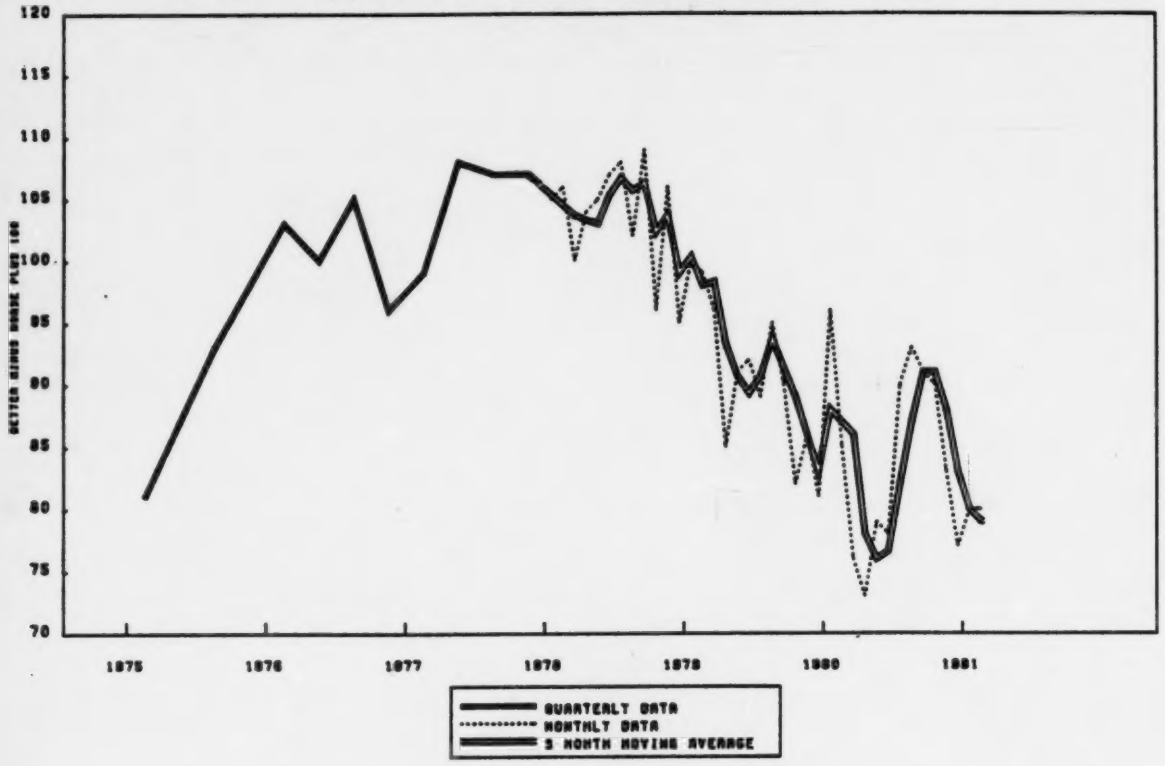

CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

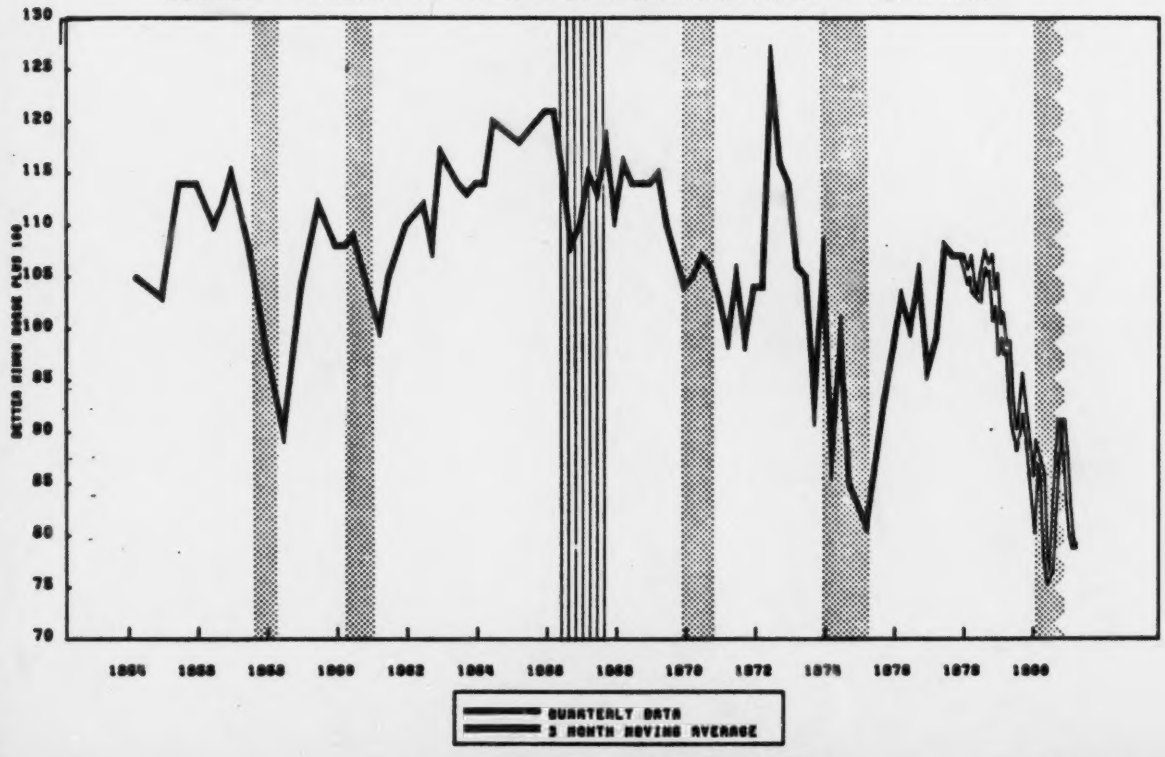

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
BETTER OFF	30%	24%	24%	26%	25%	30%	33%	31%	30%	28%	25%	25%	27%
SAME	25	28	25	26	26	29	26	27	30	26	26	30	26
WORSE OFF	45	48	51	47	47	40	40	40	40	45	48	45	47
DK,NA	*	*	*	1	2	1	1	2	*	1	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

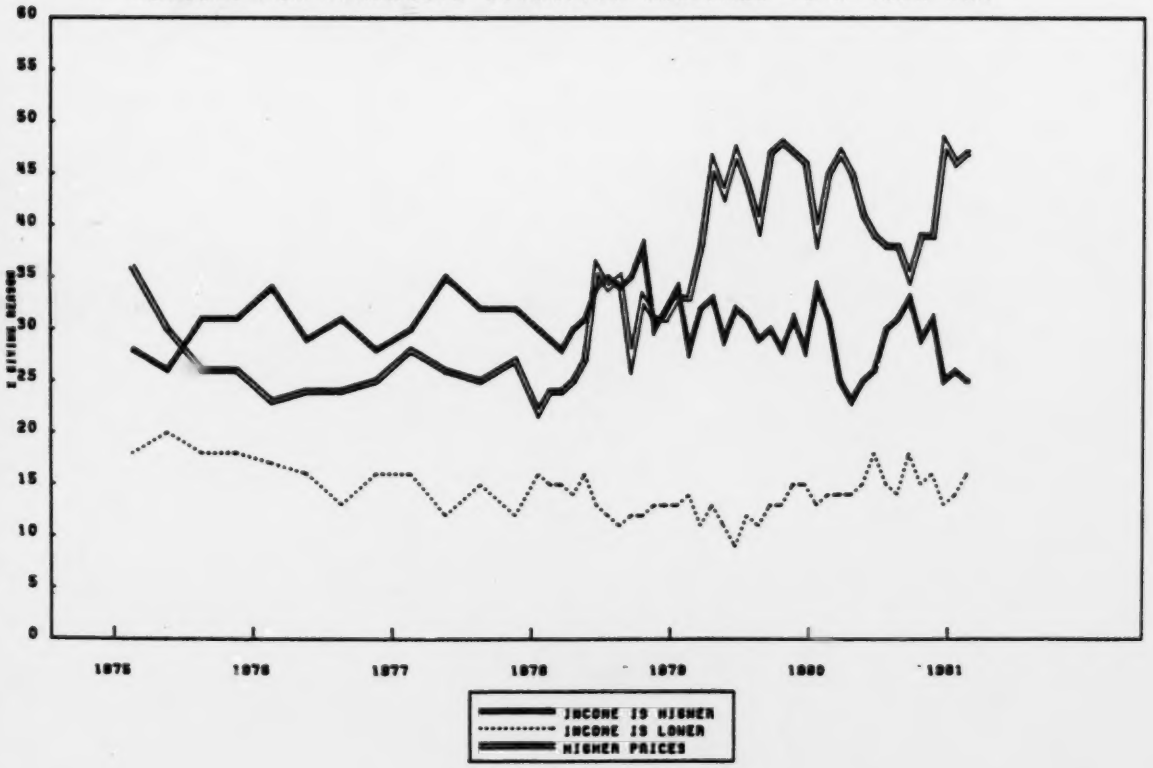

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
BETTER OFF THAN YEAR AGO:													
Income is higher	31%	25%	23%	25%	26%	30%	31%	33%	29%	31%	25%	26%	25%
WORSE OFF THAN YEAR AGO:													
Income is lower	14	14	14	15	18	15	14	18	15	16	13	14	16
Higher prices	45	47	45	41	39	38	38	35	39	39	48	46	47

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES

EXPECTED CHANGE IN FINANCIAL SITUATION

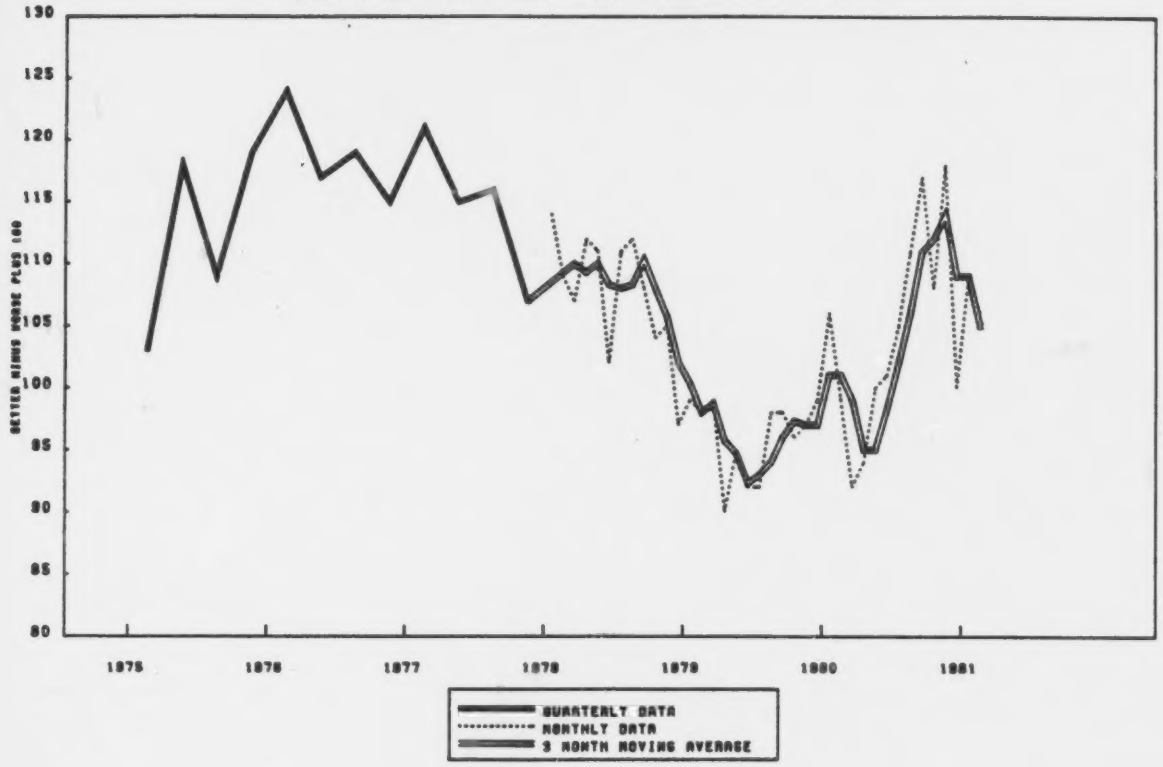

CHART 6 - HISTORICAL SERIES

EXPECTED CHANGE IN FINANCIAL SITUATION

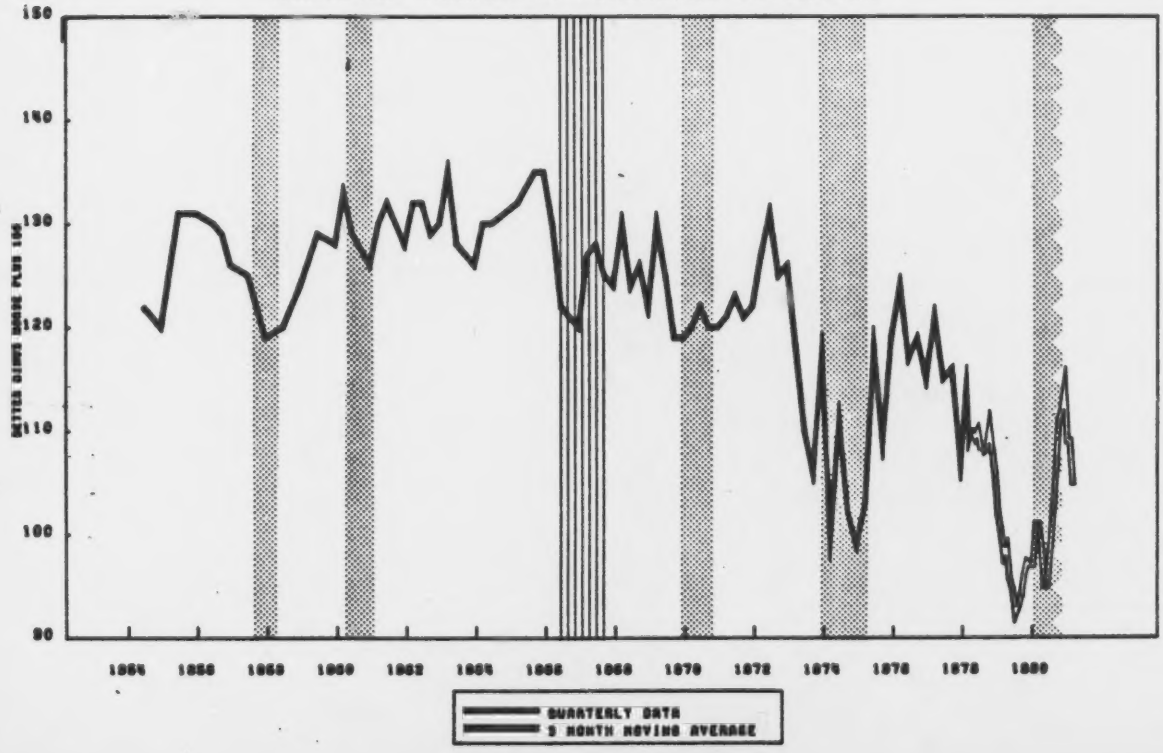

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
BETTER OFF	25%	20%	25%	27%	26%	26%	30%	34%	25%	35%	25%	27%	26%
SAME	45	47	42	43	46	48	48	45	50	42	45	48	48
WORSE OFF	26	28	31	27	25	21	19	17	17	17	25	18	20
DK,NA	4	5	2	3	3	5	3	4	8	6	5	7	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES

TREND IN PERSONAL FINANCIAL SITUATION

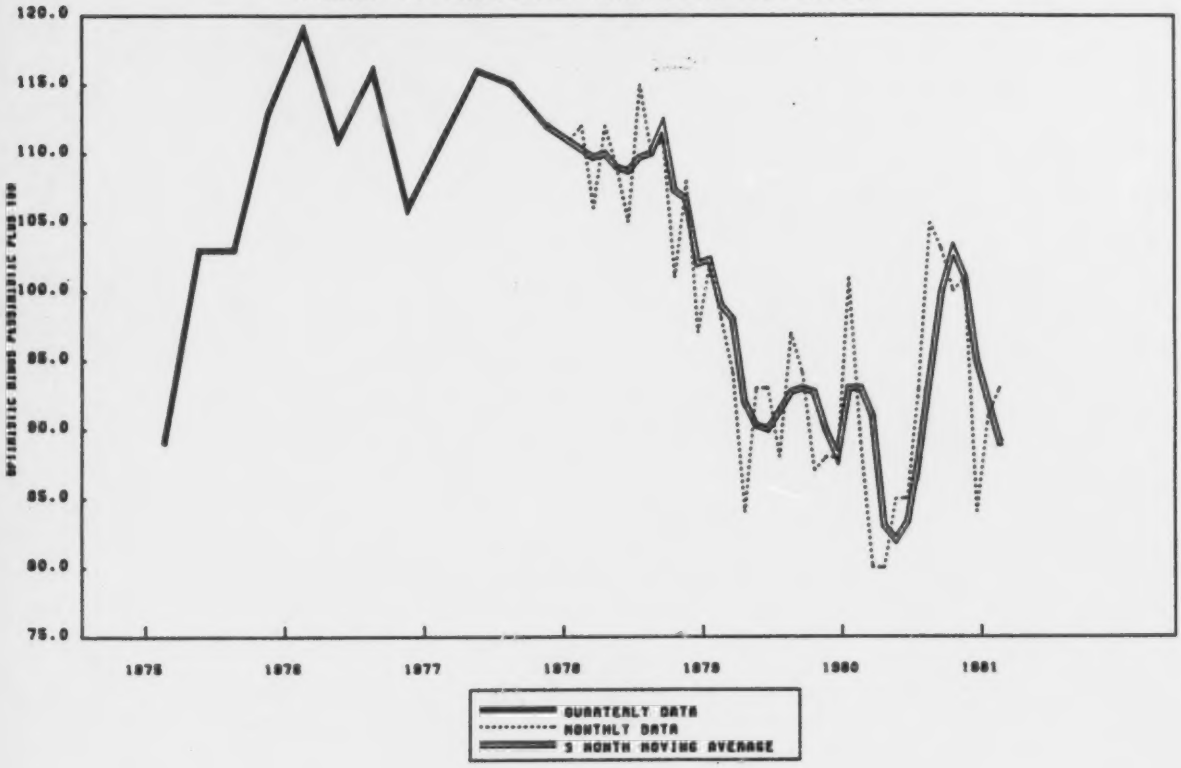

CHART 7 - HISTORICAL SERIES

TREND IN PERSONAL FINANCIAL SITUATION

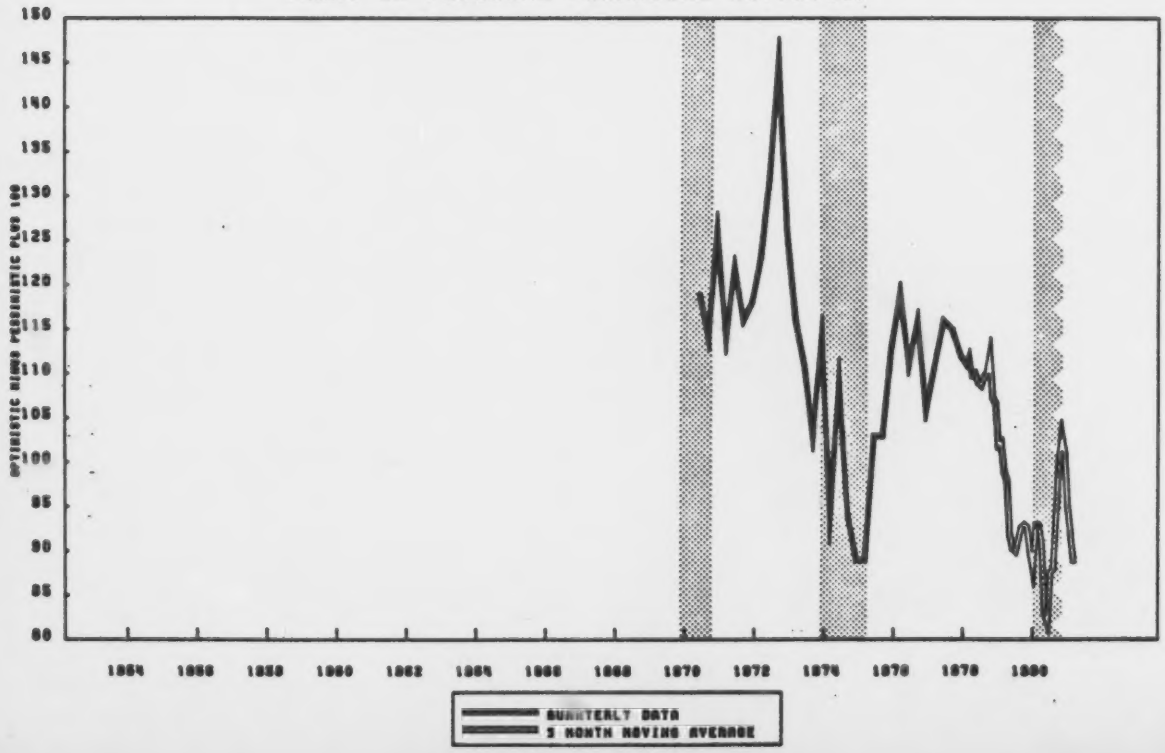

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	13%	7%	8%	11%	10%	12%	12%	14%	12%	13%	9%	10%	8%
Intermittant increase (b)	19	16	16	17	16	19	22	19	20	19	18	17	20
Remain unchanged (c)	12	15	14	12	14	14	16	15	18	13	12	16	15
Intermittant decline (d)	25	27	23	27	27	28	17	21	21	22	28	25	23
Continuous decline (e)	18	17	21	16	14	10	12	9	11	9	15	11	12
Mixed change (f)	10	13	16	14	15	11	18	16	10	18	13	14	16
DK,NA	3	5	2	3	4	6	3	6	8	6	5	7	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
EXPECT INCREASE:													
1-4%	6%	na	5%	6%	5%	5%	6%	7%	8%	5%	8%	6%	8%
5%	8		8	7	7	8	10	7	7	10	7	8	7
6-9%	14		14	12	13	11	15	16	15	10	12	10	10
10-24%	20		23	24	25	20	20	21	21	26	22	21	20
25% or more	9		7	6	8	5	6	5	7	7	7	6	7
DK how much up	7		7	8	8	10	9	10	10	8	8	9	9
EXPECT SAME	24		25	22	21	21	21	21	21	24	22	24	24
EXPECT DOWN	10		9	13	12	18	11	10	9	7	11	12	11
DK,NA	2		2	2	1	2	2	3	2	3	3	4	4
TOTAL	100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019		719	703	688	668	658	682	685	694	684	698	668

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

na : Not available.

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

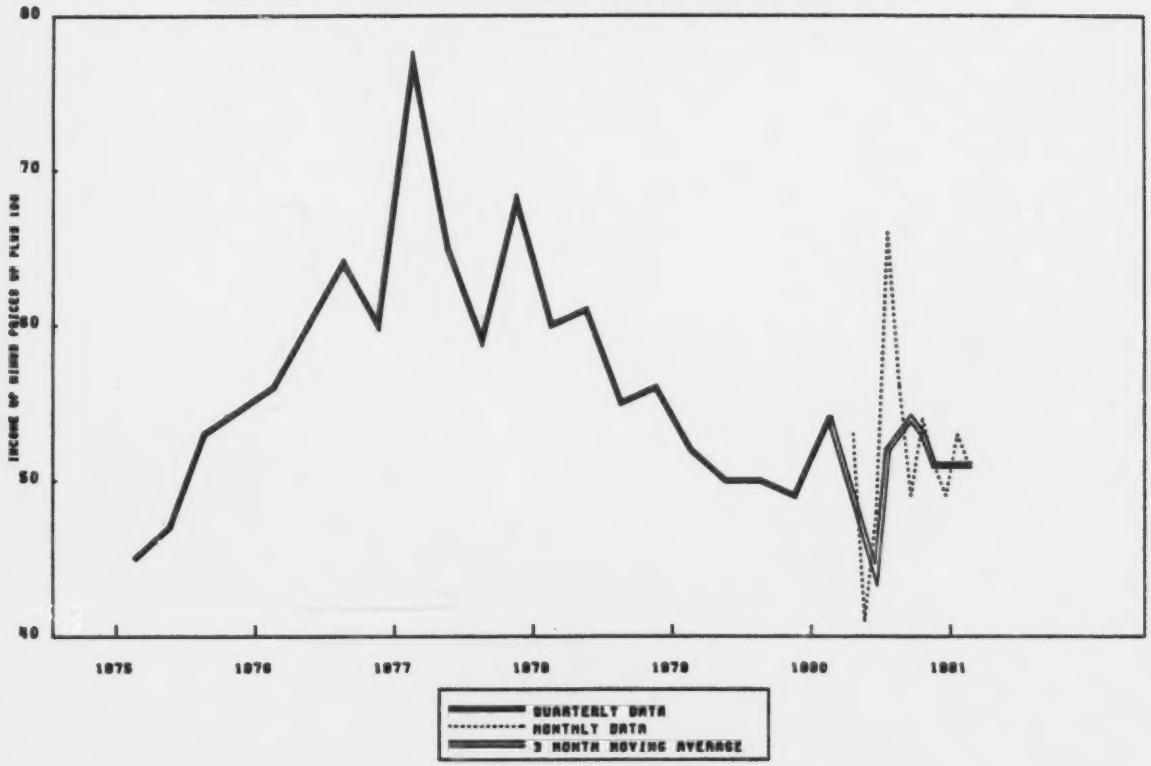

TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
INCOME UP MORE	13%	na	11%	8%	11%	12%	13%	12%	13%	10%	11%	13%	10%
INCOME UP SAME	27		22	22	25	30	29	24	25	30	24	25	28
PRICES UP MORE	59		66	67	63	56	57	63	59	59	62	60	59
DK, NA	1		1	3	1	2	1	1	3	1	3	2	3
TOTAL	100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019		719	703	688	668	658	682	685	694	684	698	668

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

na : Not available.

CHART 10 - RECENT CHANGES

INCOME OR PRICES UP MORE NEXT YEAR

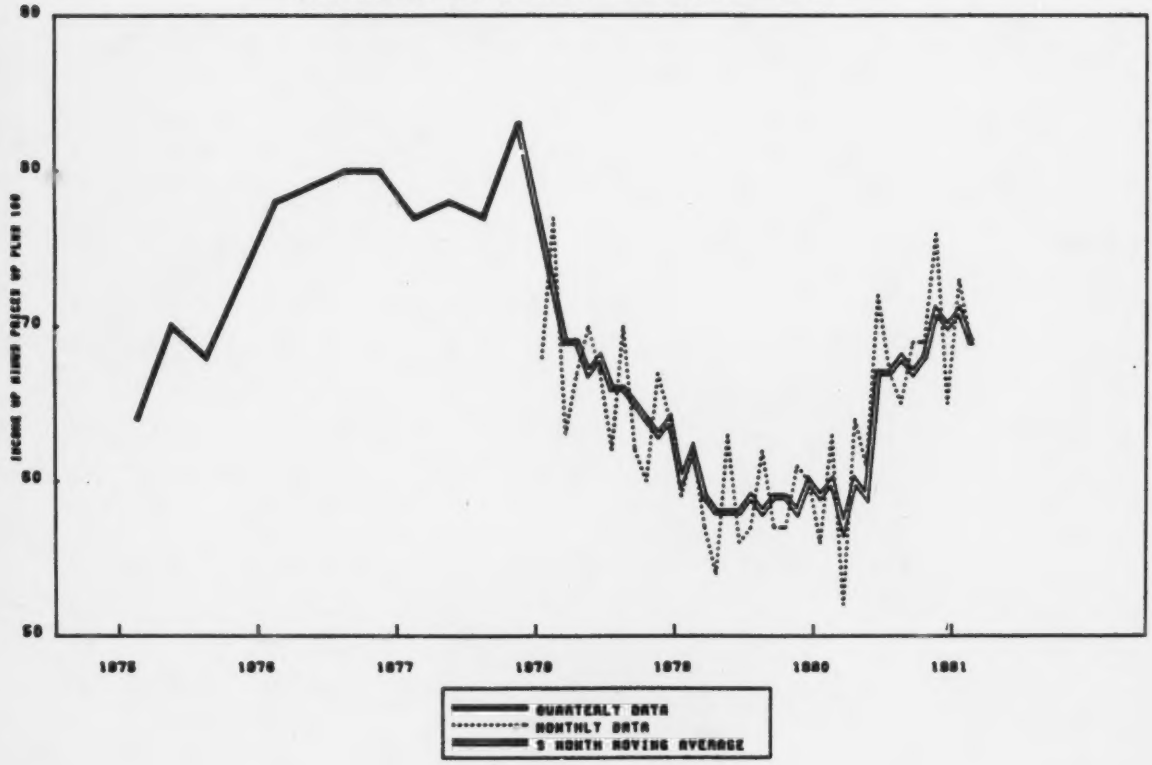

TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
INCOME UP MORE	14%	8%	12%	12%	14%	12%	11%	14%	12%	16%	12%	14%	11%
INCOME UP SAME	33	32	37	34	41	38	40	38	42	42	36	39	43
PRICES UP MORE	51	56	48	51	42	45	46	45	43	40	47	41	42
DK,NA	2	4	3	3	3	5	3	3	3	2	5	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES

TREND IN INCOME AND PRICE COMPARISON

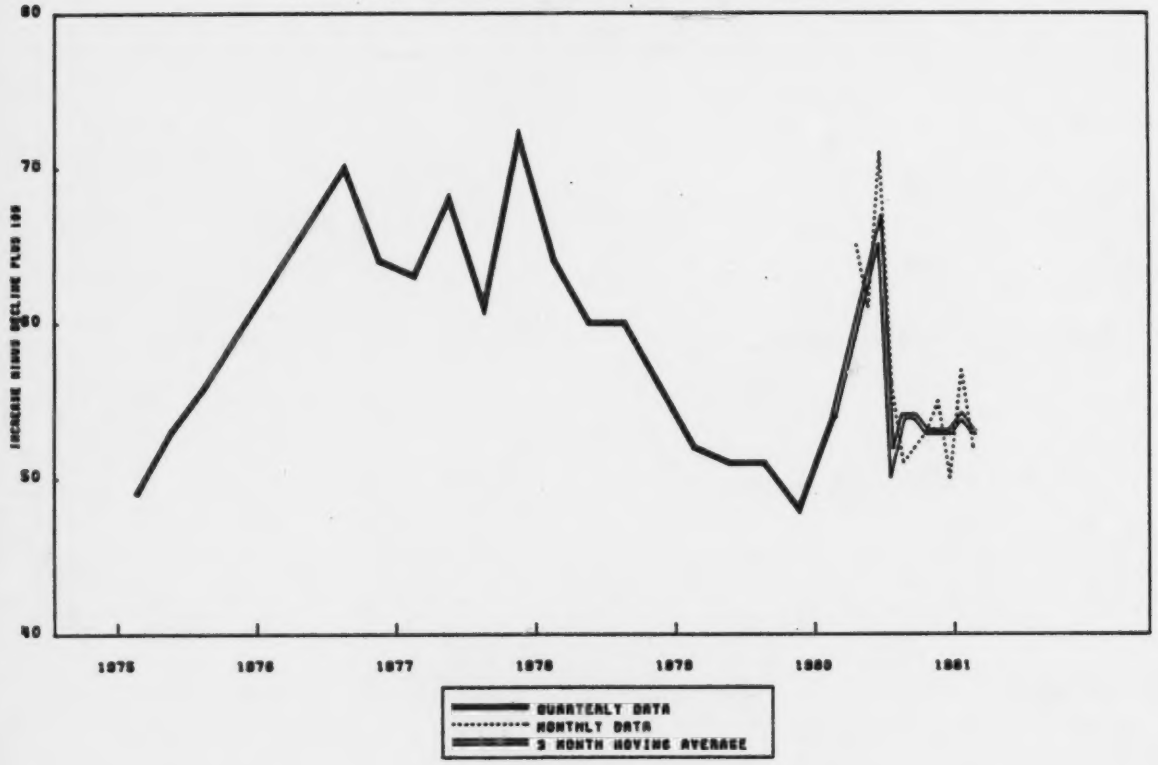

TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
REAL INCOME PROGRESS:													
Continuous increase (a)	7%	na	4%	2%	5%	5%	3%	5%	6%	6%	5%	6%	4%
Intermittant increase (b)	8		8	9	8	9	11	9	6	9	7	8	8
Remain unchanged (c)	16		13	11	16	17	17	14	18	17	14	17	18
Intermittant decline (d)	19		24	22	26	23	22	23	25	27	24	22	25
Continuous decline (e)	42		41	44	35	35	37	39	34	33	38	35	35
Mixed change (f)	6		6	6	7	5	6	6	7	5	6	6	5
DK,NA	2		4	6	3	6	4	4	4	3	6	6	5
TOTAL	100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019		719	703	688	668	658	682	685	694	684	698	668

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

na : Not available.

CHART 12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

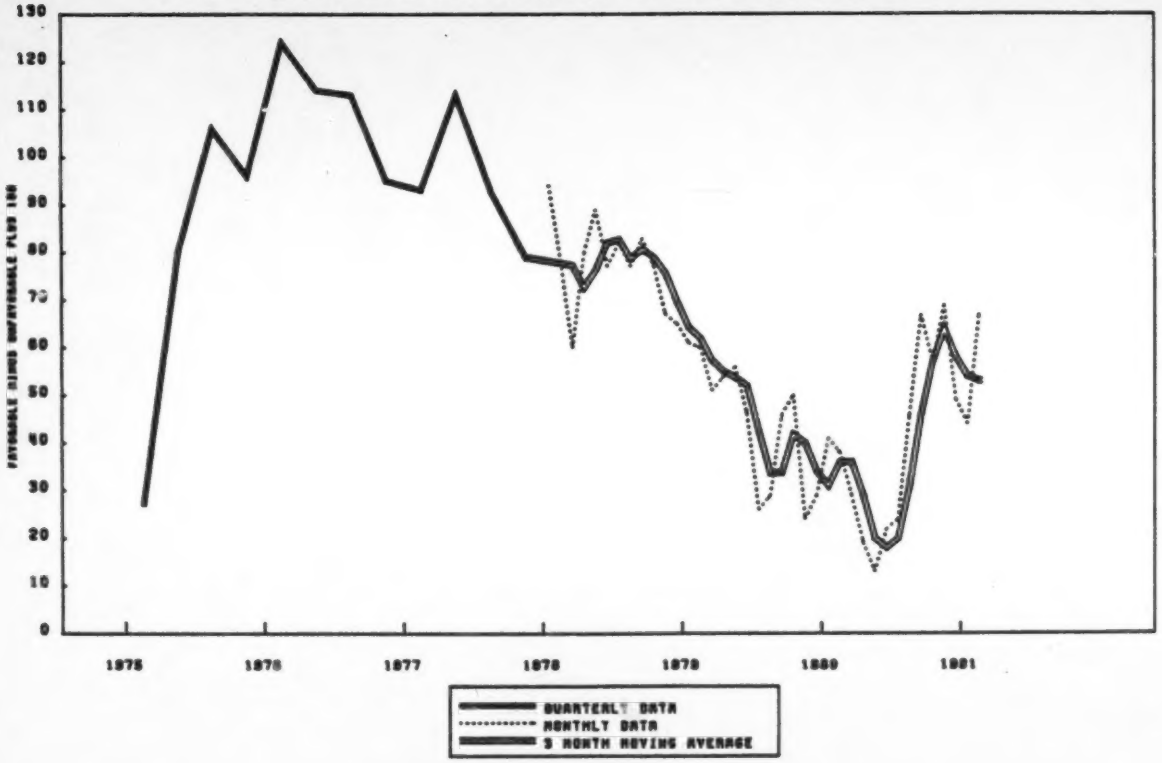

CHART 12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

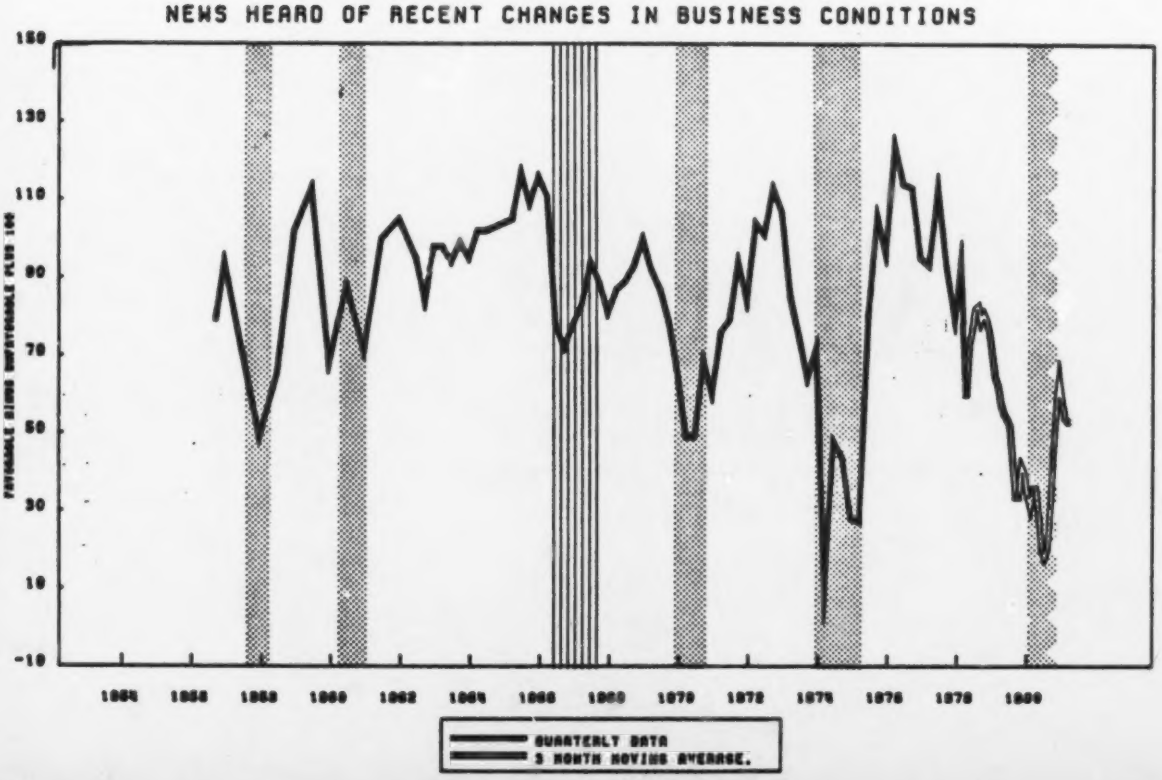

TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
FAVORABLE NEWS	14%	11%	10%	10%	15%	19%	24%	30%	29%	27%	17%	19%	23%
UNFAVORABLE NEWS	76	82	91	97	93	95	78	63	72	58	68	75	56
NO MENTIONS	41	41	35	30	29	30	34	38	33	47	44	39	46

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
FAVORABLE NEWS:													
Government; elections	1%	1%	1%	*	1%	*	1%	2%	1%	7%	4%	4%	9%
Employment	5	3	3	1	3	4	7	7	10	7	5	4	5
Consumer demand high	1	1	1	*	1	1	1	3	3	2	1	2	1
Prices are low	1	*	1	1	1	1	*	1	2	1	*	*	1
Credit is easy	1	*	*	5	7	7	8	7	3	1	*	3	3
UNFAVORABLE NEWS:													
Government; elections	3	3	3	4	2	4	3	1	4	3	2	4	5
Unemployment	19	14	21	40	50	43	31	25	26	21	18	19	15
Consumer demand low	10	8	9	10	9	12	12	8	8	8	11	14	9
Prices are high	14	17	17	11	8	12	13	10	10	9	8	11	10
Credit is tight	9	22	24	16	9	5	5	8	12	9	19	14	7
Energy crisis	4	1	1	*	1	1	1	*	1	*	1	1	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

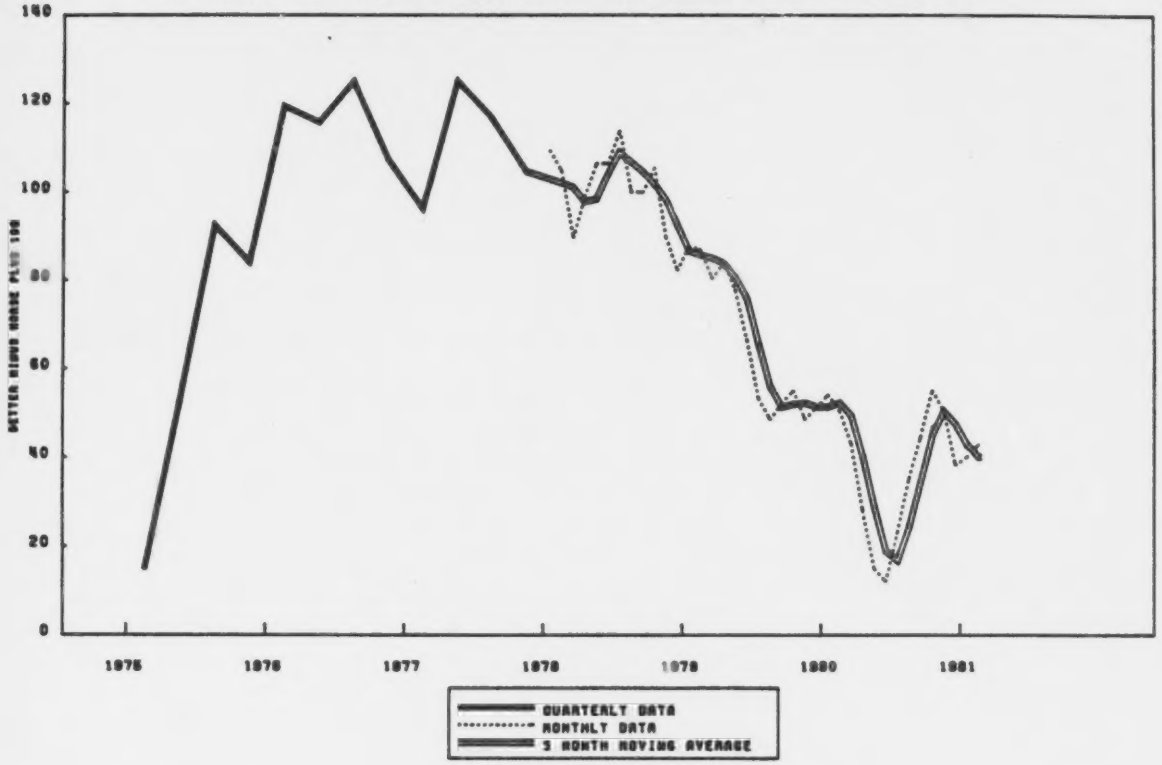

CHART 14 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

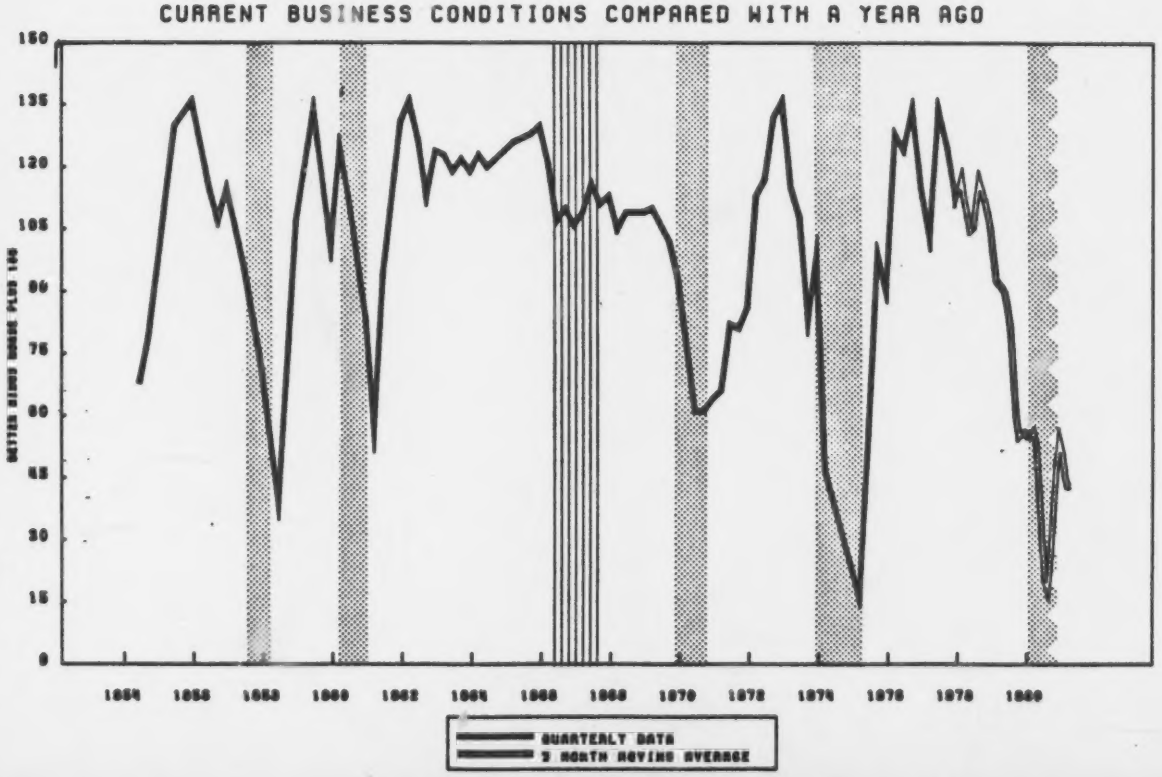

TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
BETTER NOW	21%	15%	10%	6%	4%	10%	15%	18%	23%	21%	13%	14%	14%
SAME	10	12	10	4	5	4	7	10	10	10	12	13	15
WORSE NOW	67	69	79	90	90	85	77	70	64	67	72	71	68
DK,NA	2	4	1	*	1	1	1	2	3	2	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

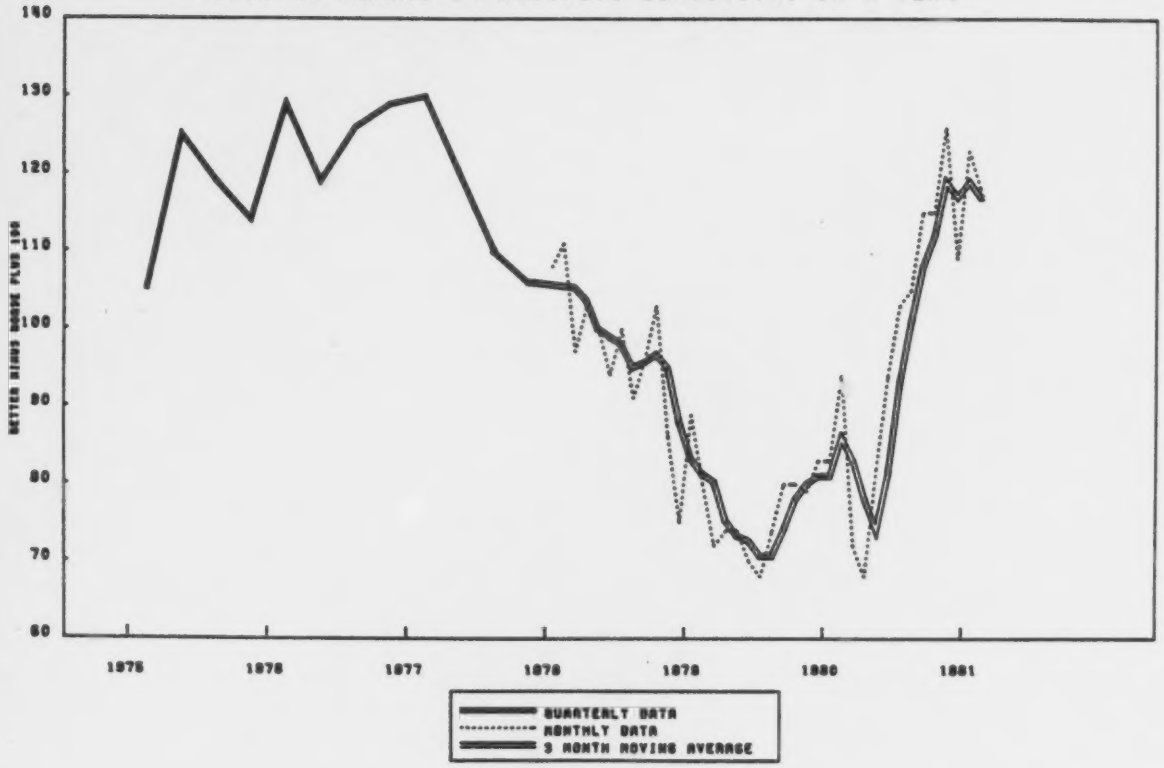

CHART 15 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

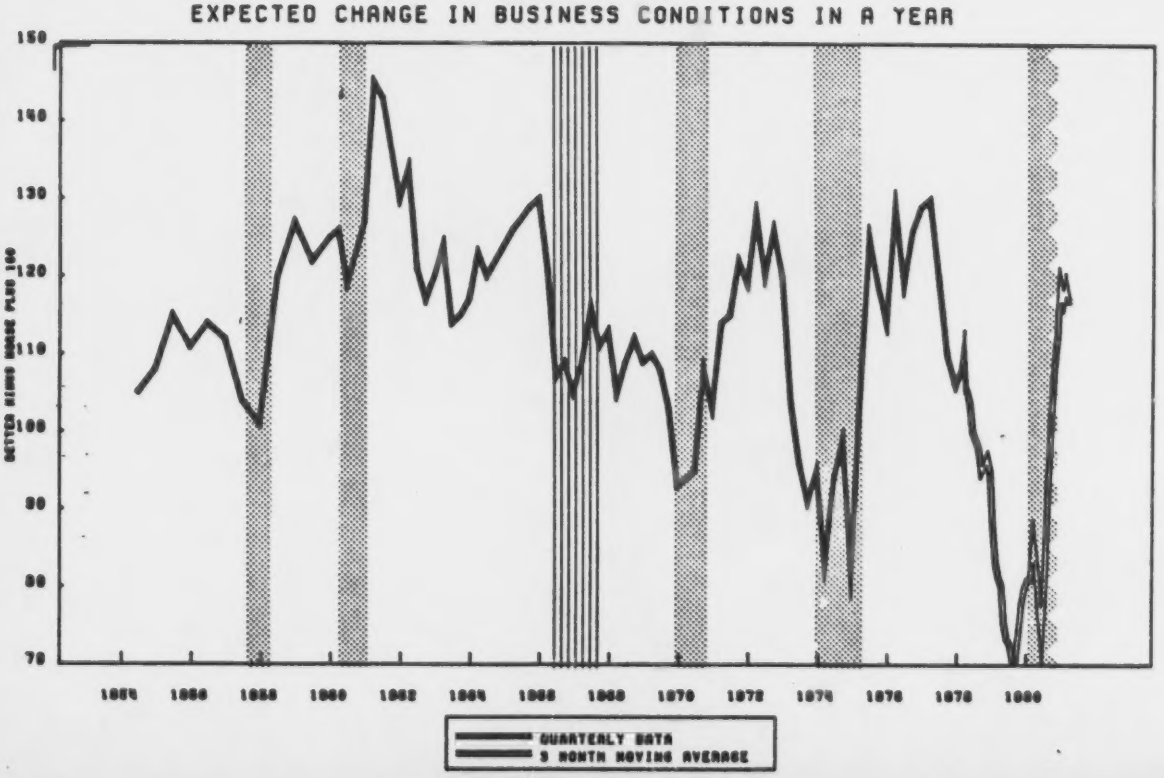

TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
BETTER	21%	14%	14%	21%	26%	28%	28%	32%	33%	40%	29%	39%	34%
SAME	49	42	37	37	38	43	44	47	44	42	46	42	46
WORSE	27	42	46	39	32	25	23	17	18	14	20	16	16
DK, NA	3	2	3	3	4	4	5	4	5	4	5	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
FAVORABLE REASONS:													
Government; elections	11%	na	8%	11%	10%	15%	14%	15%	16%	34%	27%	35%	32%
Employment	4		2	2	3	4	4	5	5	5	3	4	2
Higher consumer demand	3		1	3	1	2	3	4	5	3	2	2	3
Lower prices	1		3	2	3	1	1	3	3	2	3	2	2
Easier credit	1		1	4	5	2	3	3	2	3	2	4	2
UNFAVORABLE REASONS:													
Government; elections	13		15	7	7	12	7	7	11	7	8	7	7
Unemployment	5		11	14	12	10	7	6	4	5	8	7	6
Lower consumer demand	7		6	5	5	6	7	3	2	2	6	5	4
Higher prices	16		25	14	10	9	14	10	10	8	10	8	12
Tighter credit	3		12	6	4	2	2	2	2	2	7	4	2
Energy crisis	6		3	2	1	1	1	1	1	1	*	1	1

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

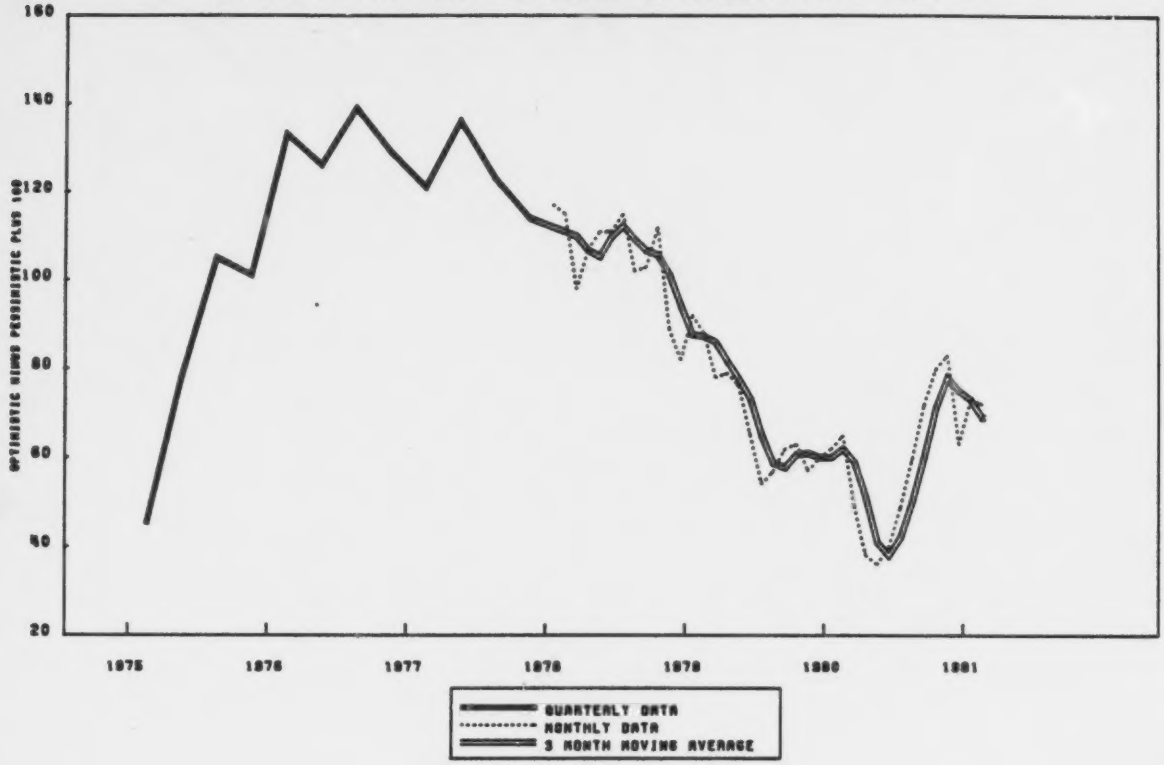

CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

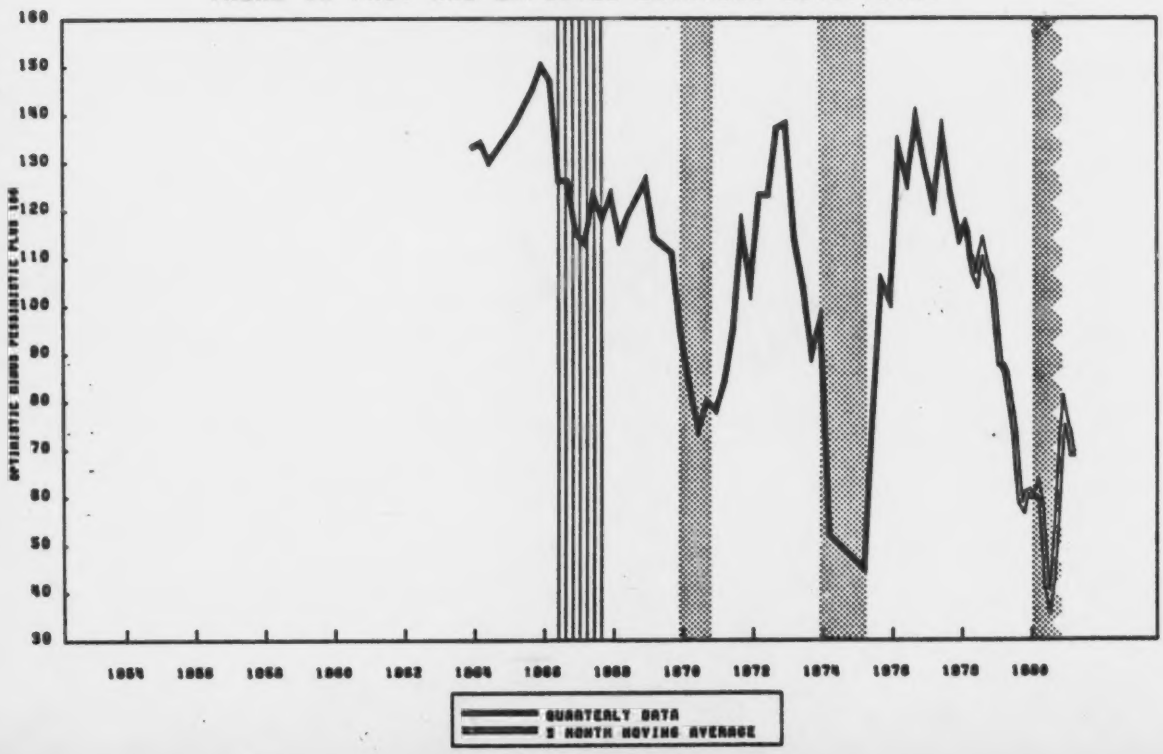

TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
TREND:													
Continuous increase (a)	8%	3%	4%	1%	1%	2%	5%	9%	9%	11%	5%	6%	7%
Intermittant increase (b)	12	9	6	5	4	7	9	10	13	14	10	11	12
Remain unchanged (c)	6	6	3	1	2	1	3	6	5	4	5	7	7
Intermittant decline (d)	33	31	32	34	35	37	35	33	28	29	36	30	33
Continuous decline (e)	22	32	41	36	30	23	19	14	14	13	16	14	14
Mixed change (f)	15	14	10	20	23	26	23	23	23	24	21	27	21
DK,NA	4	5	4	3	5	4	6	5	8	5	7	5	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

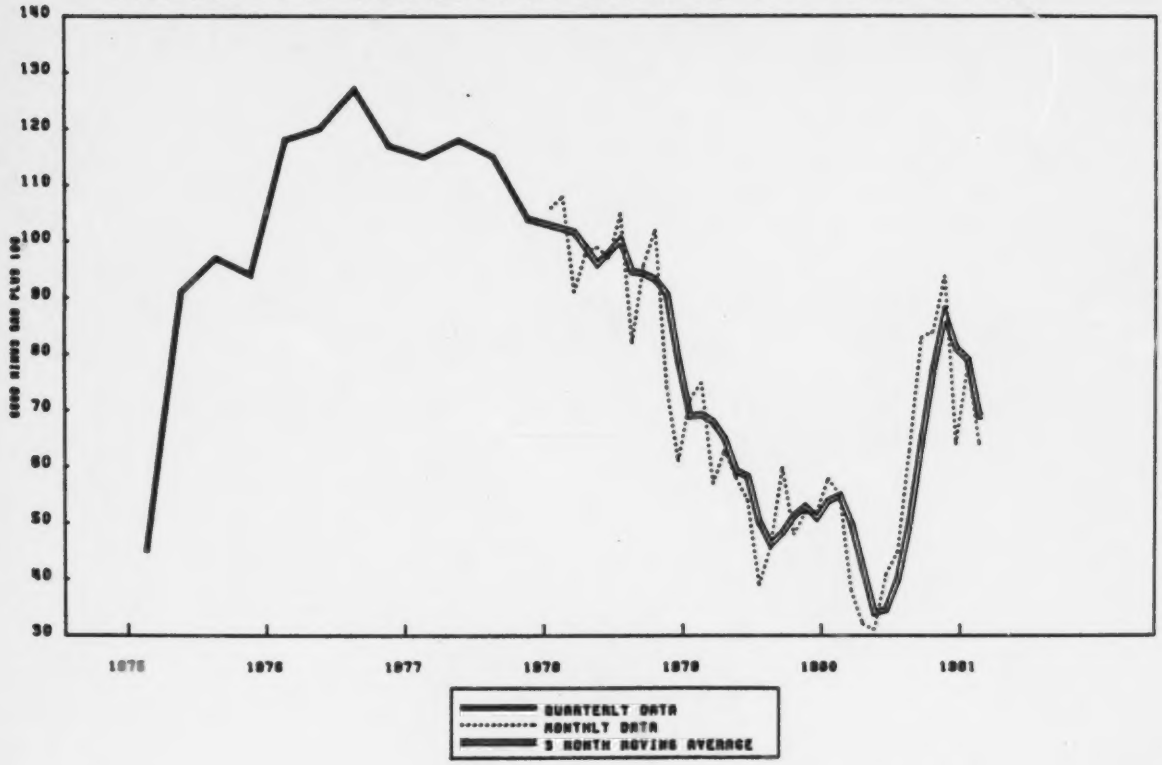

CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
GOOD TIMES	22%	14%	11%	13%	18%	19%	25%	35%	33%	39%	26%	31%	26%
UNCERTAIN; GOOD & BAD	1	1	1	1	1	1	2	2	2	2	1	2	2
BAD TIMES	67	76	79	82	75	74	62	52	49	45	62	53	62
DON'T KNOW	5	4	4	3	4	4	7	7	8	8	7	10	6
NOT ASCERTAINED	5	5	5	1	2	2	4	4	8	6	4	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

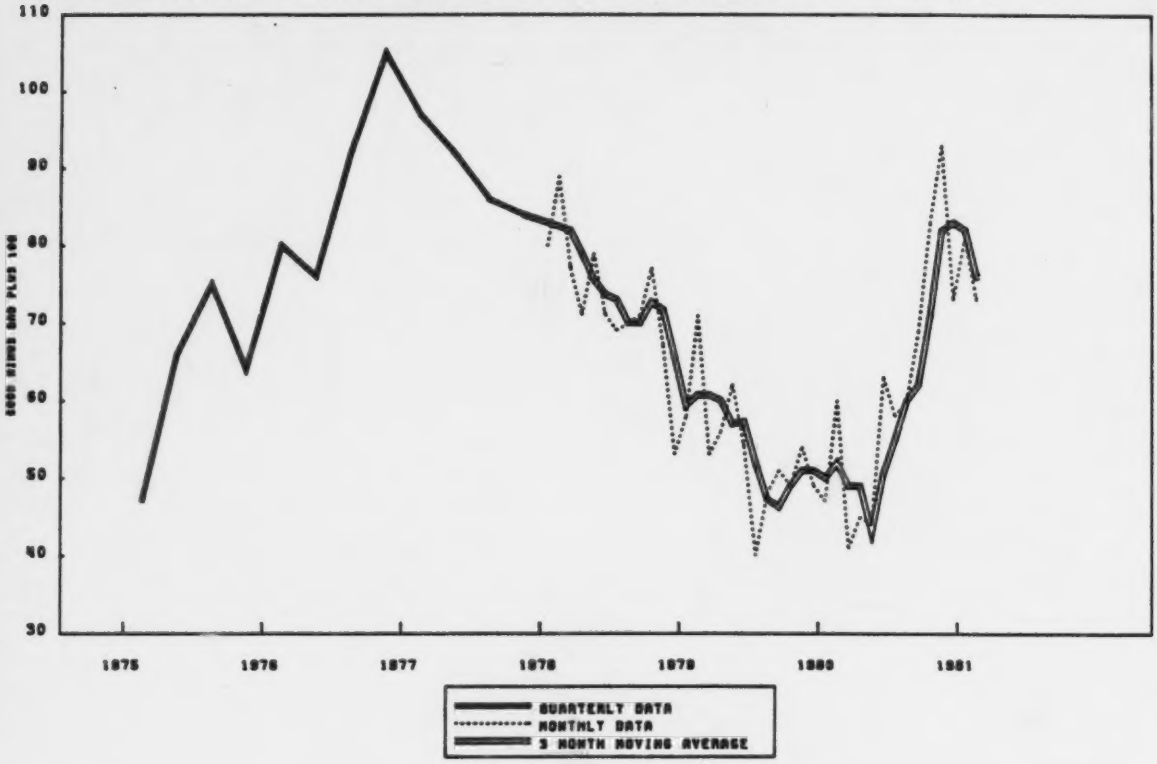

CHART 19 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

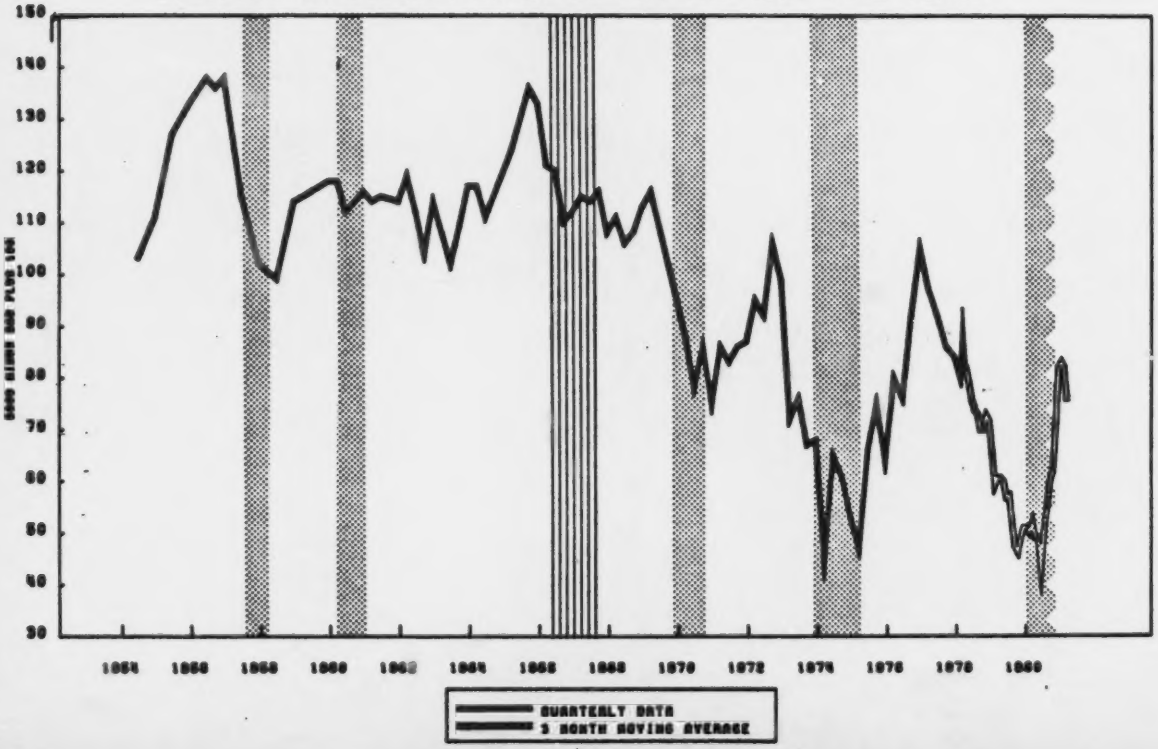

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
GOOD TIMES	21%	13%	14%	15%	22%	19%	19%	25%	27%	36%	25%	30%	28%
UNCERTAIN; GOOD & BAD	14	10	12	10	12	13	16	14	19	15	16	15	12
BAD TIMES	61	72	69	71	59	61	59	56	44	43	52	49	55
NOT ASCERTAINED	4	5	5	4	7	7	6	5	10	6	7	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "Looking ahead, which would you say is more likely—that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

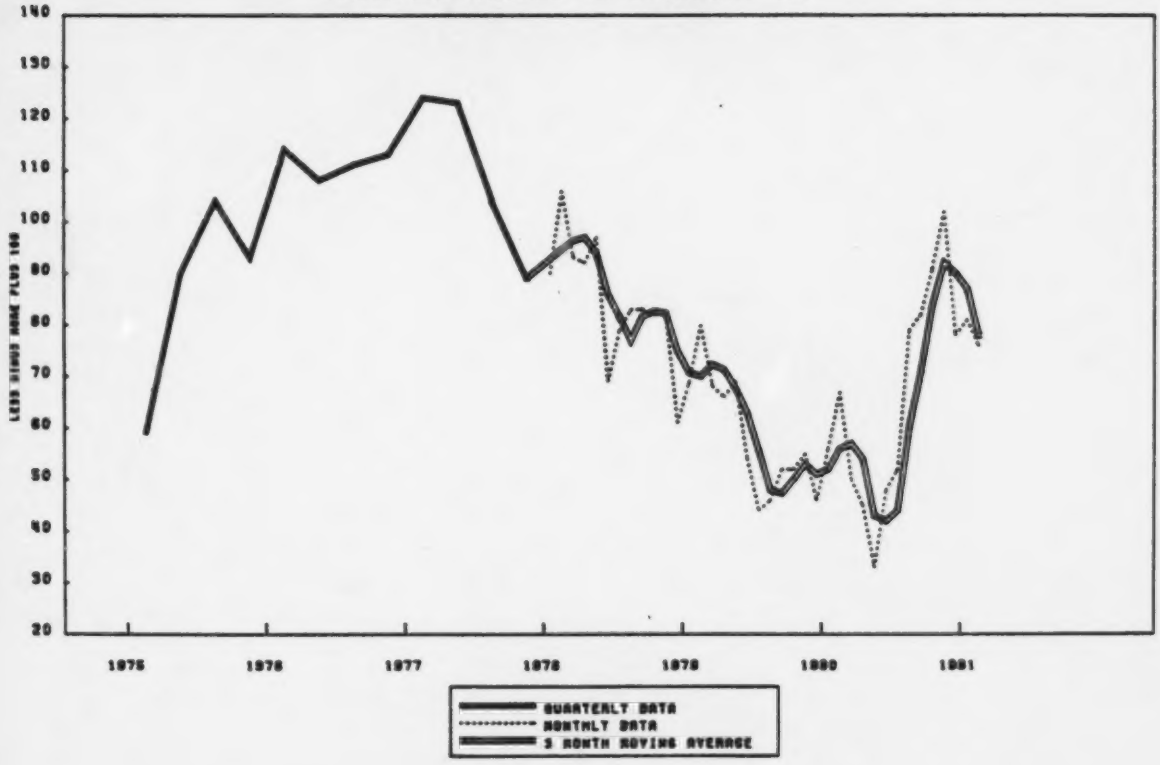

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

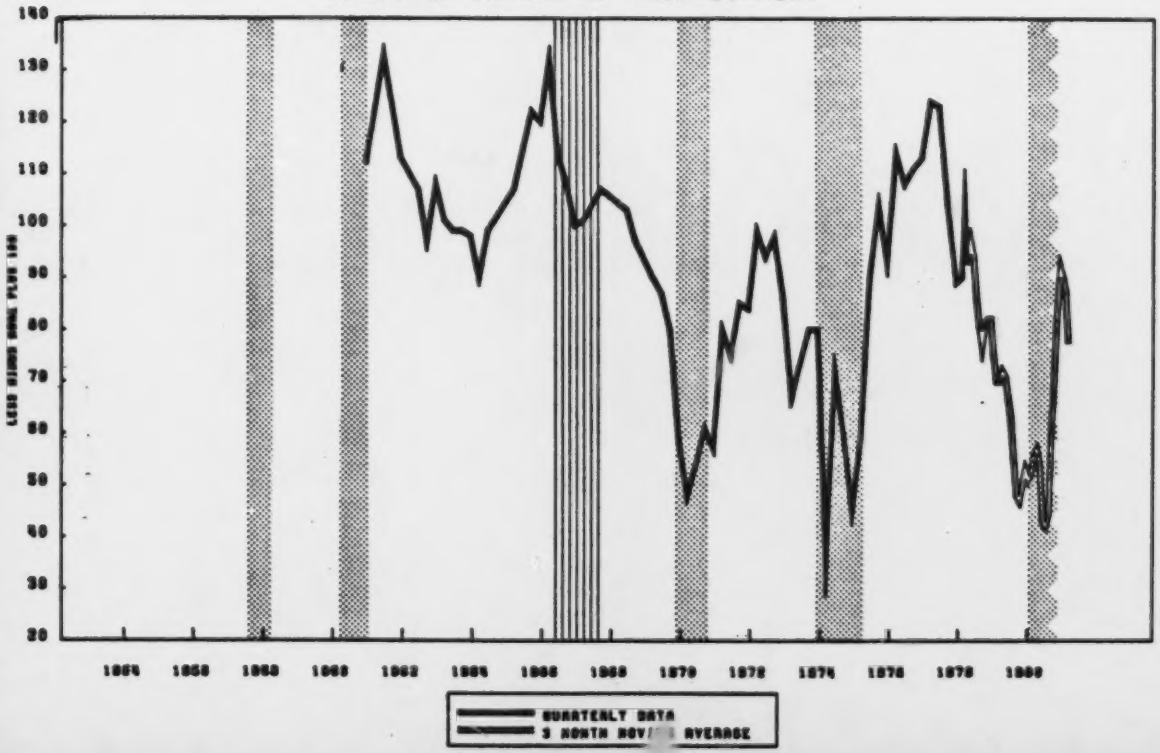

TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
LESS	13%	7%	7%	5%	11%	11%	19%	22%	21%	26%	17%	19%	16%
SAME	38	35	29	23	25	30	38	36	46	47	41	41	42
MORE	46	57	62	72	63	59	40	40	30	24	39	38	40
DK,NA	3	1	2	*	1	*	3	2	3	3	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

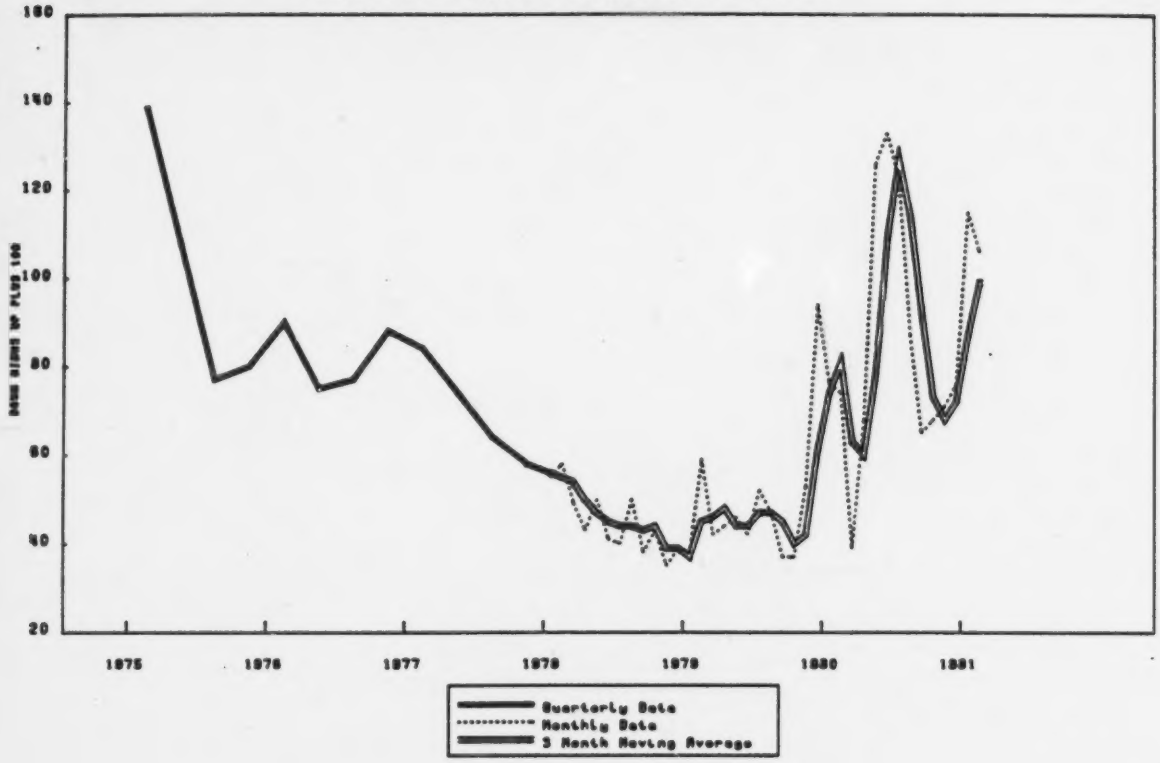

CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

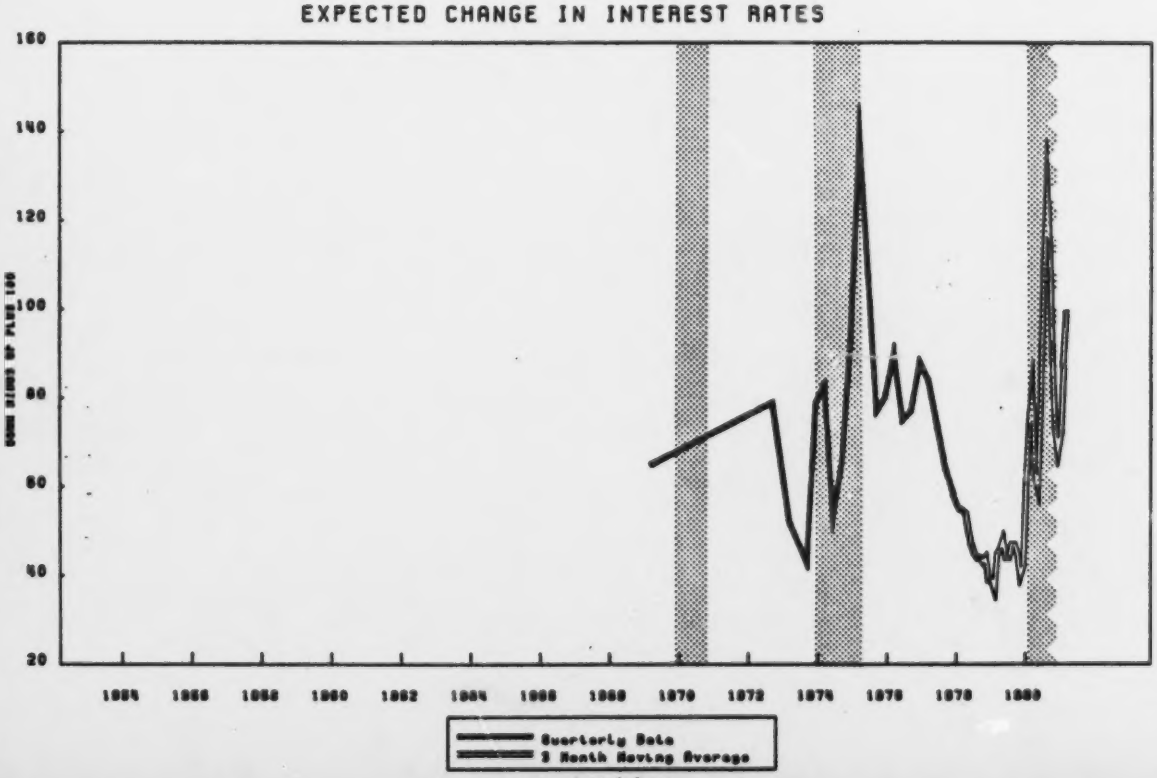

TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
GO UP	47%	71%	56%	26%	21%	21%	39%	53%	49%	51%	53%	29%	31%
STAY THE SAME	29	16	18	20	22	31	30	25	26	22	14	20	24
GO DOWN	21	10	24	52	54	44	26	18	17	22	29	44	37
DK,NA	3	3	2	2	3	4	5	4	8	5	4	7	8
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

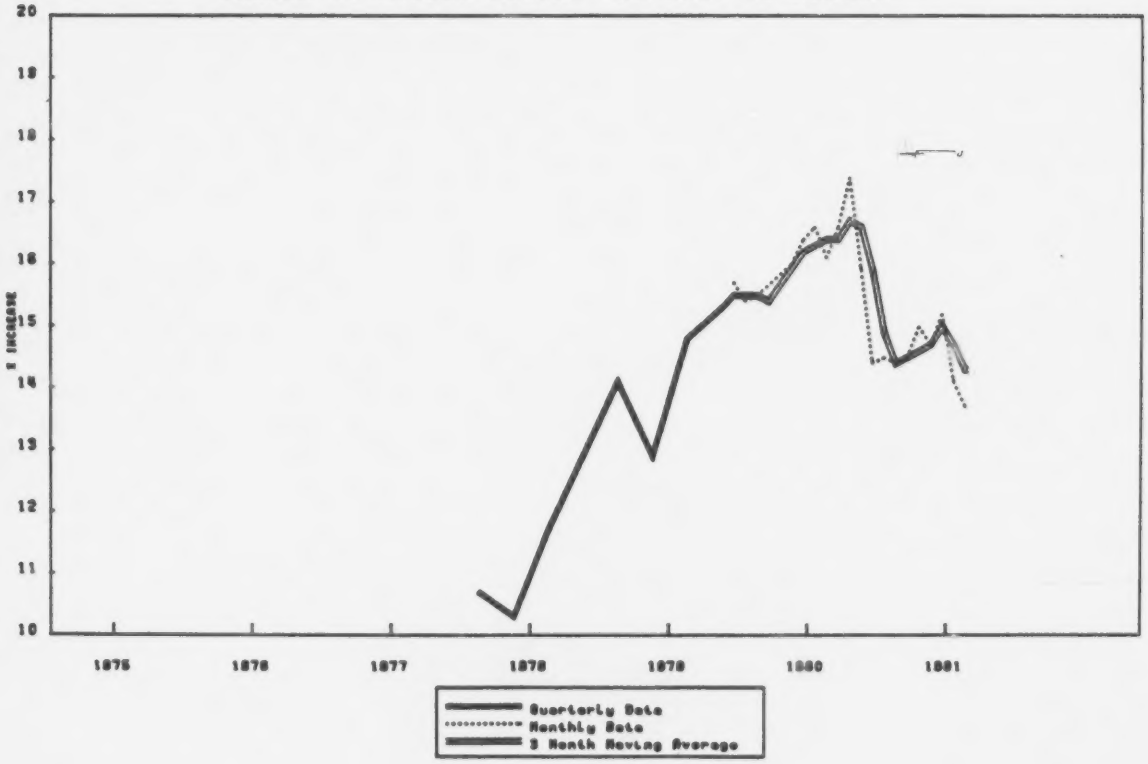

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
SAME OR DOWN	3%	2%	2%	5%	6%	4%	4%	4%	2%	3%	2%	3%	2%
GONE UP BY:													
1-2%	1	2	2	1	1	3	2	2	3	2	2	2	3
3-4%	3	5	3	4	3	5	6	5	4	4	3	4	4
5%	6	6	5	5	6	7	8	7	11	7	9	7	8
6-9%	9	8	9	6	10	11	12	9	11	12	9	8	8
10-14%	28	25	24	27	25	22	20	24	23	27	26	31	32
15% or more	38	41	43	37	33	29	32	31	32	29	32	28	25
DK how much up	12	11	12	15	15	18	15	17	14	16	16	17	17
DK,NA	*	*	*	*	1	1	1	1	*	*	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	16.1	16.6	17.4	15.9	14.4	14.5	14.4	14.5	15.0	14.7	15.2	14.1	13.7
VARIANCE	149	167	179	175	140	168	160	151	169	161	158	130	128
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

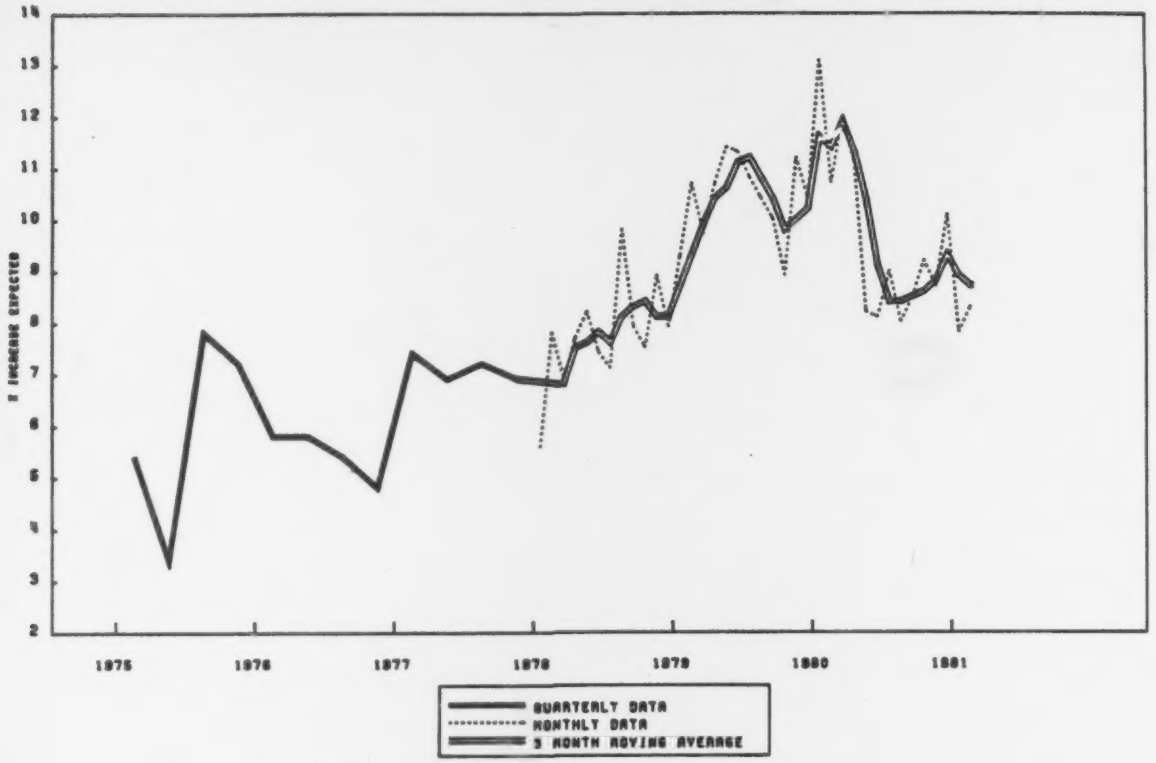

CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

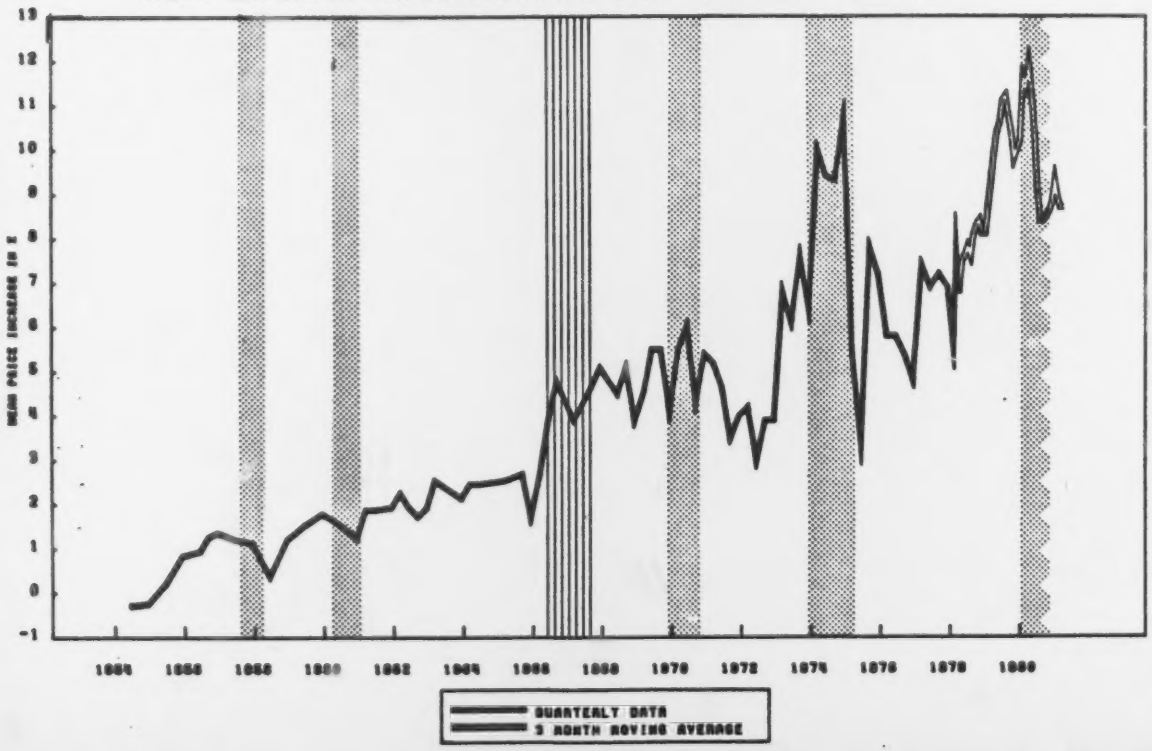

TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
SAME OR DOWN	8%	13%	20%	31%	27%	22%	18%	17%	20%	25%	17%	21%	18%
WILL GO UP BY:													
1-2%	4	3	2	1	3	3	6	5	3	3	3	3	5
3-4%	4	4	3	4	6	5	7	5	6	5	5	6	9
5%	11	8	7	9	7	8	11	11	10	8	9	7	9
6-9%	12	9	8	9	10	10	12	10	10	12	11	12	12
10-14%	31	26	24	17	20	21	24	23	24	20	25	28	23
15% or more	19	27	25	18	14	15	10	13	16	14	18	9	12
DK how much up	10	7	9	10	10	13	11	13	9	11	10	11	10
DK,NA	1	3	2	1	3	3	1	3	2	2	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	10.7	12.0	11.1	8.2	8.1	9.0	8.0	8.5	9.2	8.7	10.1	7.8	8.3
VARIANCE	84	122	125	92	89	95	71	68	100	102	107	54	74
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

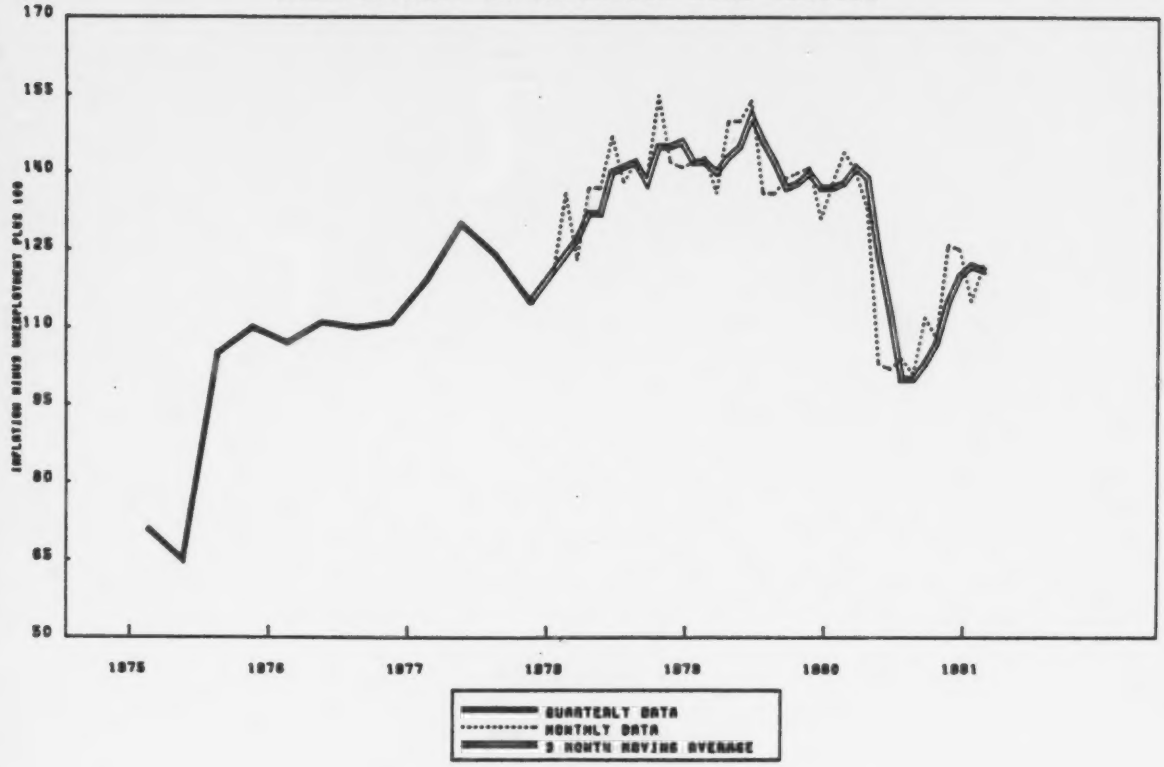

CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

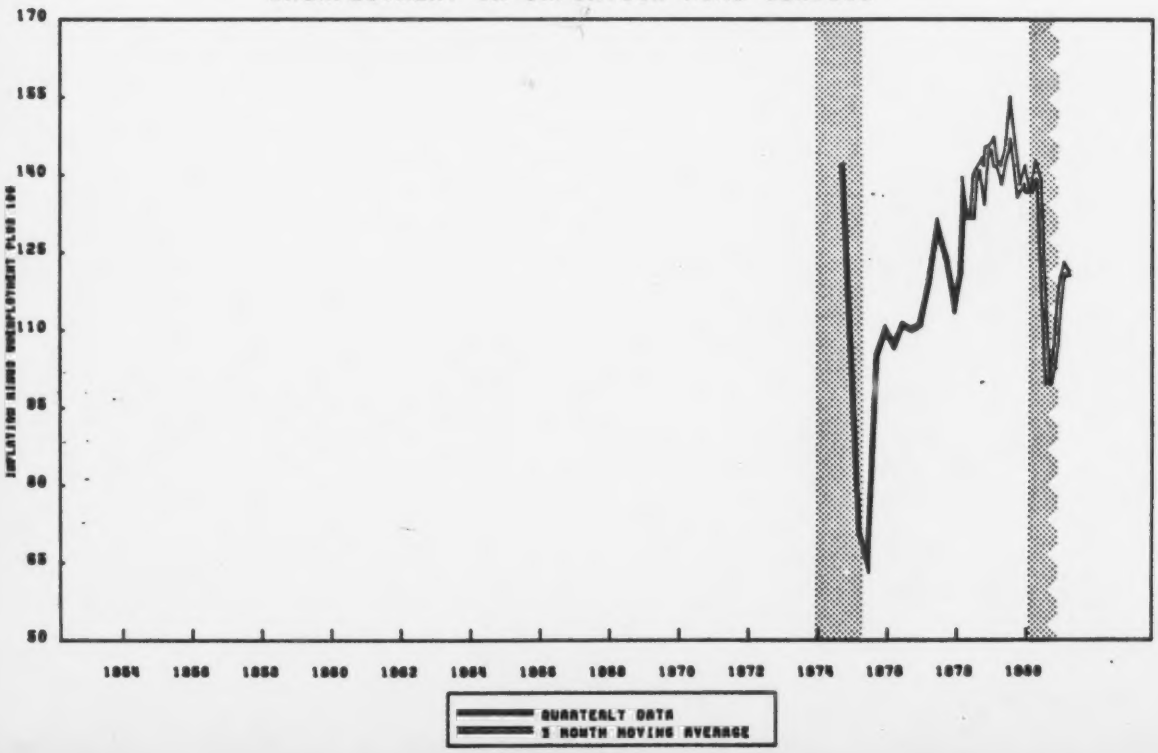

TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
UNEMPLOYMENT	24%	25%	26%	40%	43%	45%	43%	38%	40%	31%	32%	34%	34%
BOTH EQUALLY SERIOUS	7	8	14	16	11	11	10	9	11	11	9	14	8
INFLATION	68	65	59	43	45	41	44	50	48	57	57	49	56
DK,NA	1	2	1	1	1	3	3	3	1	1	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

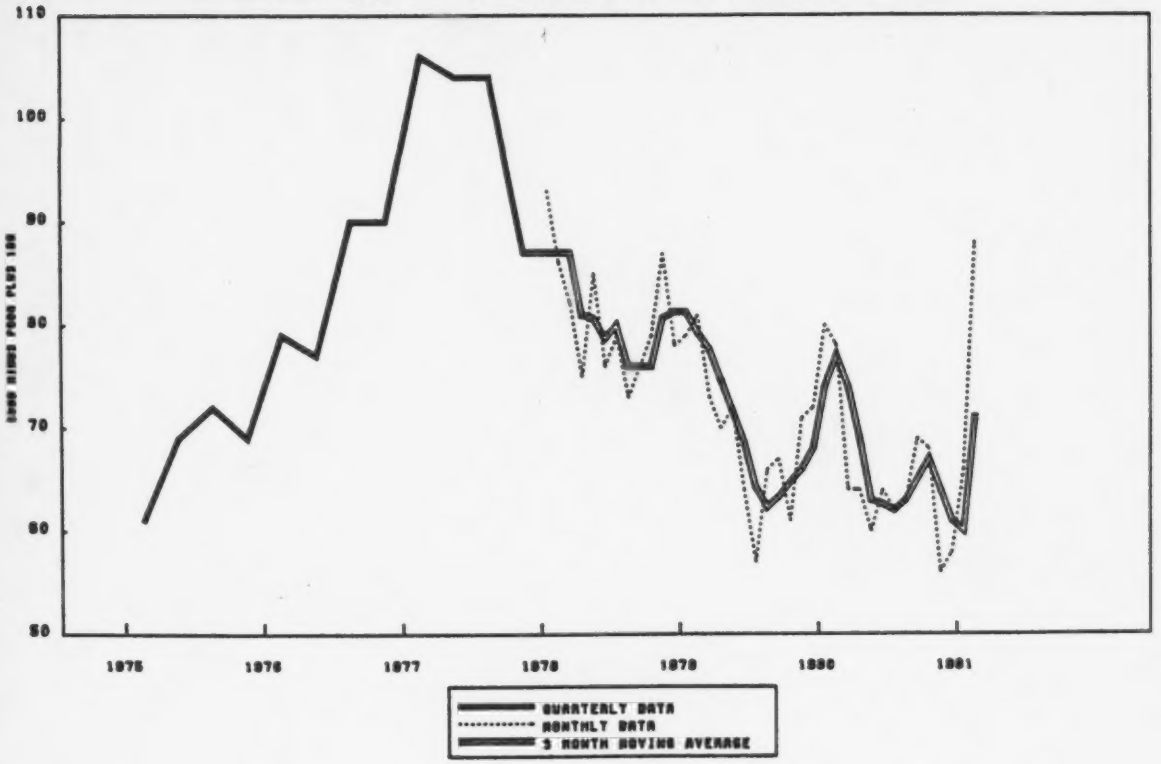

CHART 25 - HISTORICAL SERIES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

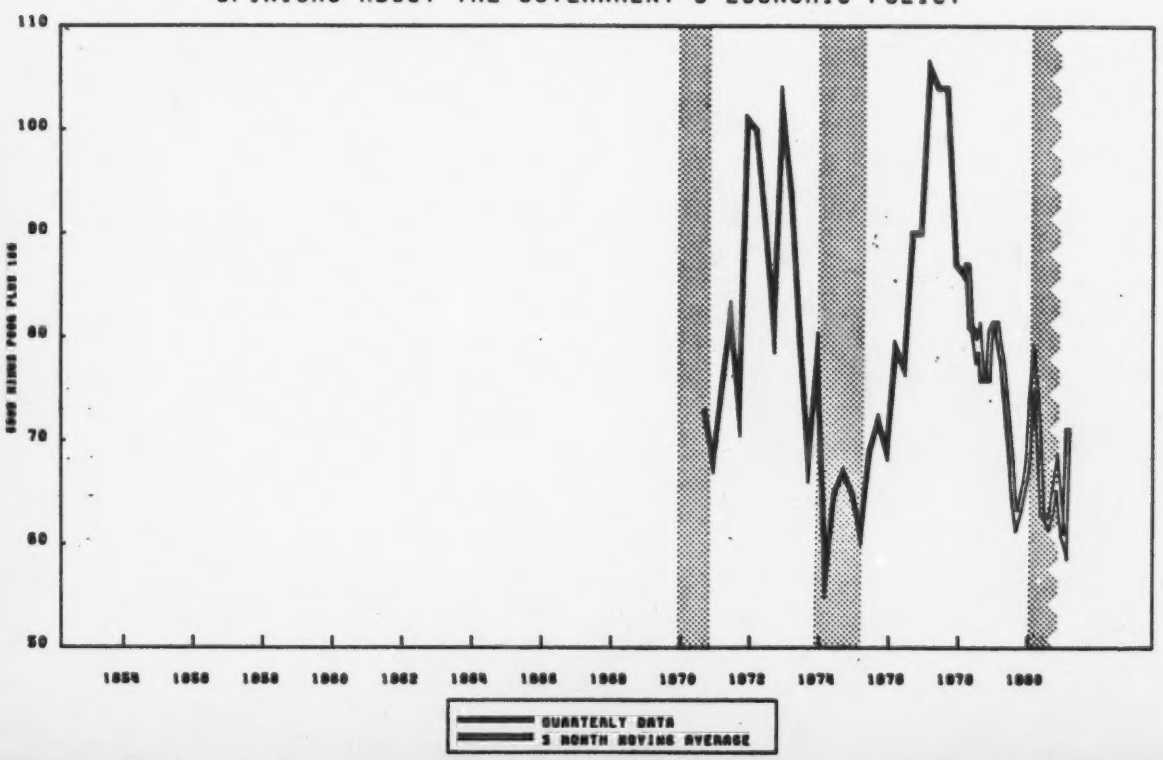

TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
A GOOD JOB	12%	7%	6%	5%	10%	9%	8%	10%	8%	6%	7%	10%	19%
ONLY FAIR	51	46	48	48	40	41	45	46	50	41	42	42	40
A POOR JOB	34	43	42	45	46	47	45	41	40	50	49	44	31
DK,NA	3	4	4	2	4	3	2	3	2	3	2	4	10
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

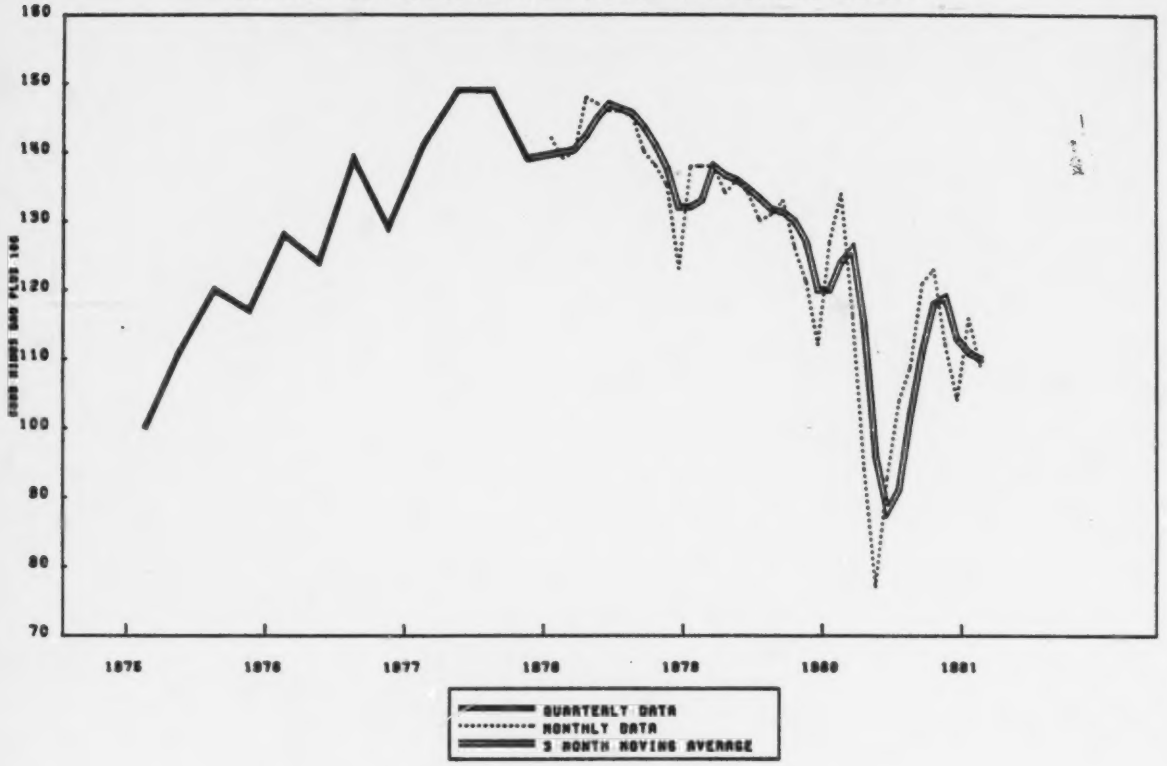

CHART 26 - HISTORICAL SERIES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

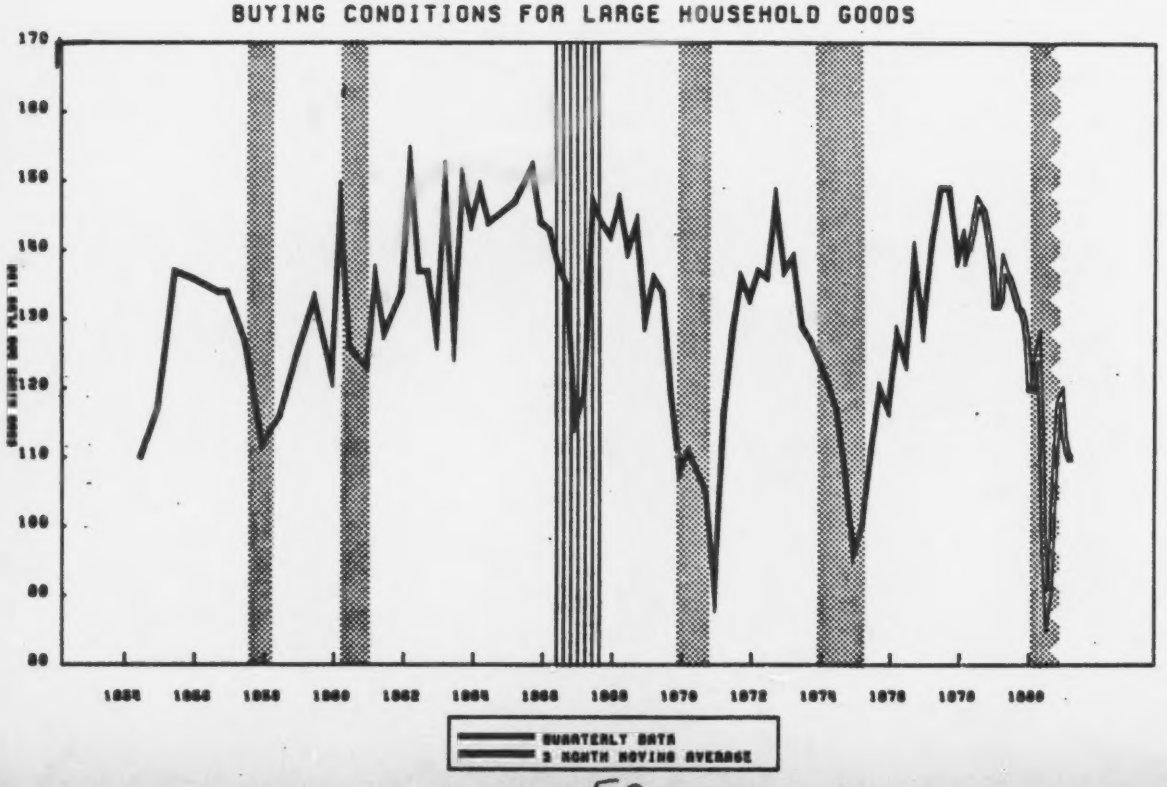

TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
GOOD TIME TO BUY	60%	54%	41%	35%	41%	44%	47%	52%	55%	50%	45%	50%	47%
UNCERTAIN, DEPENDS	14	8	12	7	11	16	15	17	13	12	14	16	15
BAD TIME TO BUY	26	38	47	58	48	40	38	31	32	38	41	34	38
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	23%	12%	9%	14%	16%	19%	17%	18%	20%	20%	17%	23%	23%
Prices won't come down; are going higher	33	43	28	23	26	22	27	31	30	31	24	28	24
Interest rates low; credit is easy	3	5	3	2	3	5	5	3	4	2	3	2	3
BAD TIME TO BUY:													
Prices are high	16	23	30	34	29	23	23	20	16	23	26	17	24
Interest rates are high; credit is tight	11	19	28	31	24	19	16	13	17	17	22	25	26
Lack of purchasing power	8	12	14	16	15	20	14	12	11	11	11	11	13

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

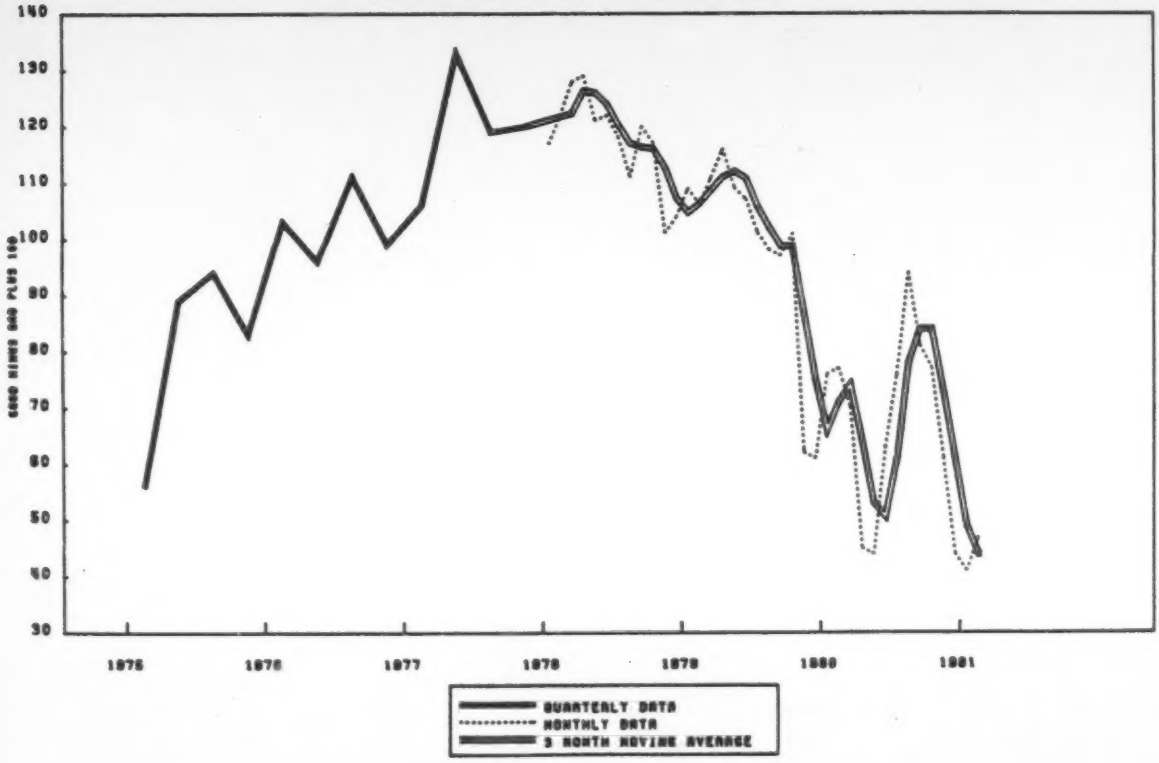

CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

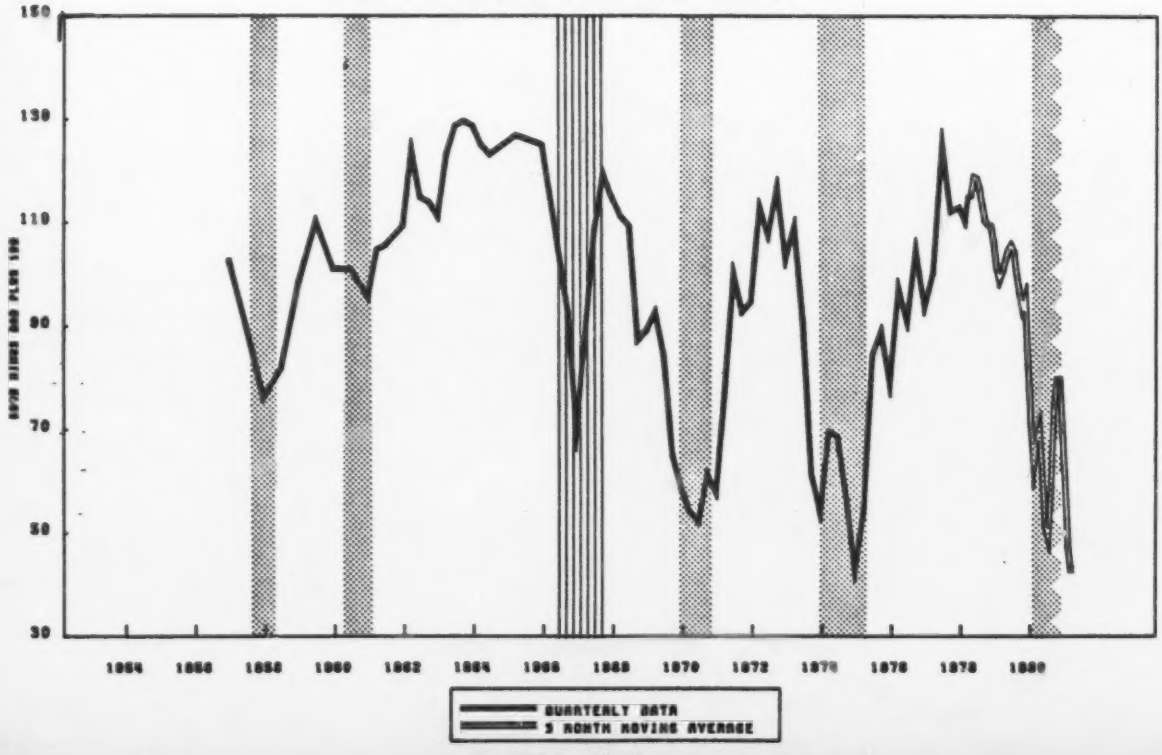

TABLE 28

BUYING CONDITIONS FOR HOUSES

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
GOOD TIME TO BUY	36%	32%	19%	18%	29%	34%	44%	38%	36%	28%	19%	18%	21%
UNCERTAIN, DEPENDS	5	6	7	8	5	8	6	5	5	5	6	5	5
BAD TIME TO BUY	59	62	74	74	66	58	50	57	59	67	75	77	74
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	4%	na	4%	3%	6%	9%	9%	7%	4%	4%	4%	3%	5%
Prices won't come down; are going higher	20		8	8	11	12	14	17	17	16	10	12	10
Interest rates low; credit is easy	9		3	6	16	23	28	22	16	10	6	4	7
Good investment	12		9	7	5	6	10	9	8	7	6	7	10
BAD TIME TO BUY:													
Prices are high	30		31	30	27	30	26	29	27	28	28	32	31
Interest rates are high; credit is tight	56		76	75	66	53	41	50	56	66	77	76	73
Lack of purchasing power	8		8	9	10	15	12	11	12	11	12	10	14

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

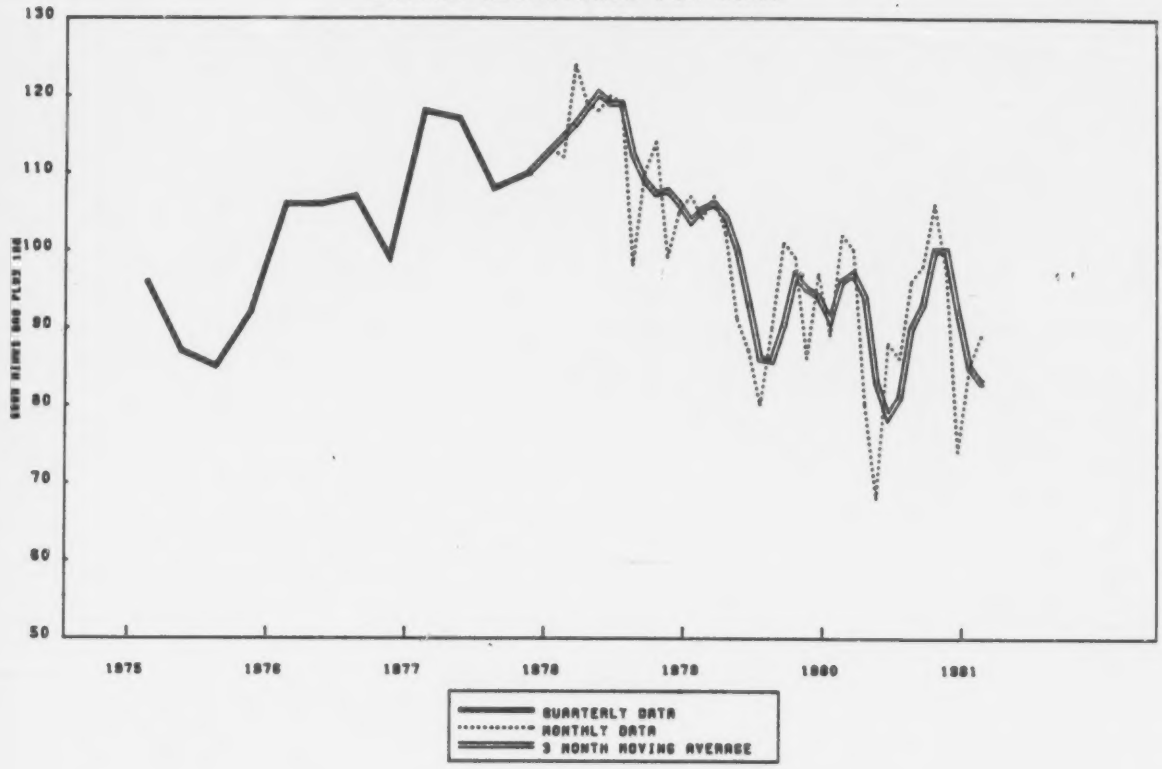

CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

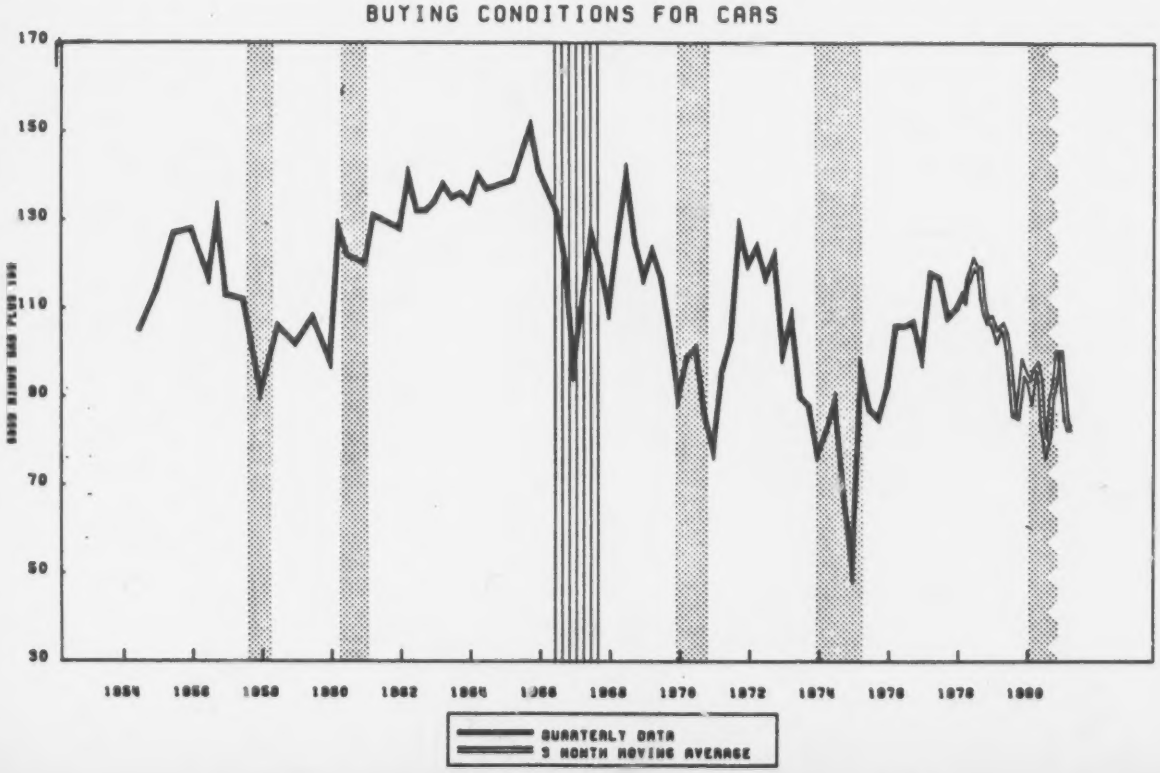

TABLE 30

BUYING CONDITIONS FOR CARS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
GOOD TIME TO BUY	47%	45%	35%	29%	37%	36%	42%	42%	45%	41%	33%	36%	39%
UNCERTAIN; DEPENDS	8	10	10	10	14	14	12	14	16	15	8	13	11
BAD TIME TO BUY	45	45	55	61	49	50	46	44	39	44	59	51	50
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019	707	719	703	688	668	658	682	685	694	684	698	668

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	21%	19%	15%	25%	27%	25%	24%	20%	17%	17%	13%	18%	22%
Prices won't come down; are going higher	19	22	10	8	9	13	12	19	17	16	12	13	12
Interest rates low; credit is easy	3	3	4	1	3	4	4	4	3	3	4	5	3
New fuel efficient models	14	13	12	6	5	3	7	9	12	7	5	4	4
BAD TIME TO BUY:													
Prices are high	22	25	32	30	24	27	27	31	23	28	31	33	31
Interest rates are high; credit is tight	14	17	24	29	22	11	11	10	14	17	29	28	27
Lack of purchasing power	4	6	6	7	6	9	9	6	8	7	9	7	7
Price of gas; shortages	13	16	16	15	9	6	5	5	4	4	5	4	8
Poor selection; quality	10	9	8	7	10	13	13	11	13	10	12	9	9

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
PROBABLY WILL BUY	20%	na	16%	13%	12%	17%	16%	16%	15%	17%	14%	15%	16%
CHANCES ARE EVEN	8		7	7	8	5	7	6	7	6	6	8	7
PROBABLY WILL NOT BUY	62		69	67	68	67	61	70	67	66	67	66	62
DK,NA	10		8	13	12	11	16	8	11	11	13	11	15
TOTAL	100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1019		719	703	688	668	658	682	685	694	684	698	668

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

na : Not available.

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	28%	na	23%	20%	20%	22%	23%	22%	22%	23%	20%	23%	23%
PURCHASE TYPE:													
Buy new	14		11	7	9	10	8	11	12	11	8	11	10
Buy used	12		9	9	7	11	12	9	7	9	9	8	10
Lease	1		2	1	1	1	1	1	2	*	1	1	1
DK,NA	1		1	3	3	*	2	1	1	3	2	3	2
PURCHASE TIMING:													
Next 3 months	2		4	2	1	5	3	1	3	4	2	3	1
Next 4-6 months	7		6	6	6	5	5	6	4	3	3	5	6
Next 7-9 months	7		6	5	5	3	4	2	7	6	5	6	7
10 months or more	6		2	3	5	4	4	4	4	4	5	4	3
DK,NA	6		5	4	3	5	7	9	4	6	5	5	6

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

na : Not available.

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	62%	na	69%	67%	68%	67%	61%	70%	67%	66%	67%	66%	62%
PURCHASE TYPE:													
Would buy new	36		40	39	38	40	35	38	44	38	37	35	33
Would buy used	24		26	25	27	24	24	30	20	26	27	29	28
DK,NA	2		3	3	3	3	2	2	3	2	3	2	1
PURCHASE TIMING:													
Less than 2 years	7		8	7	6	4	6	5	5	6	7	6	5
2 years	21		14	17	21	20	18	23	20	23	20	17	23
3 years	7		12	10	11	10	8	12	15	11	12	12	9
4 years or more	17		20	19	20	21	21	18	15	15	18	19	16
Indefinite	3		6	4	3	4	4	4	3	5	3	5	3
DK,NA	7		9	10	7	8	4	8	9	6	7	7	6

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

na : Not available.

U7475-2 B 3/10/81

March 4, 1981

FEBRUARY 1981 MONTHLY SURVEY

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

SMALL DECLINE IN CONSUMER SENTIMENT

** In the February 1981 Survey, the Index of Consumer Sentiment was 66.9, down 4.5 Index-points from January 1981, and 10 Index-points below the three-month earlier reading in November 1980. Overall, the Index of Consumer Sentiment in February 1981 was identical to the February 1980 reading. The majority of the decline recorded in the February 1981 survey was recorded early in the month. At the close of February, following President Reagan's national addresses, the Index improved to 75.0.

** Among families with incomes of $20,000 or more, the Index of Consumer Sentiment remained virtually unchanged in February 1981 (74.2) from January 1981 (74.8), but was significantly below the three month earlier reading in November 1980 (82.7). The recent decline was sharpest among respondents aged 55 or older, with the Index value falling from 67.9 in January to 59.6 in February 1981.

** Among all families, 26 percent reported that they expected good times in the economy as a whole during the next 12 months, down from 31 percent recorded in January 1981, and somewhat above the 22 percent recorded in February 1980. The majority continue to expect bad times financially in the economy as a whole in the February 1981 survey (62 percent), up from 53 percent in January 1981, and somewhat below the 67 percent recorded in February 1980.

** Interest rates, unemployment, and price expectations were largely unchanged in the February 1981 survey from one month earlier. Among all families, 40 percent expected unemployment to increase in February 1981 (up from 38 percent in January), 31 percent expected interest rates to increase (up from 29 percent in January), and consumers expected the inflation rate to average 8.3% during the year ahead (up from 7.8% in January).

* * *

The February 1981 survey indicates that consumer sentiment has declined on balance during the past three months. At the present time, there is a sizable difference between evaluations of current economic conditions and expectations for future change. Evaluations of the current financial situation of individual consumers as well as for the economy as a whole are very unfavorable and remain near the record 1980 low levels. In contrast, expectations for improvement in personal finances and business conditions were significantly more favorable in early 1981 than during 1980. Expected change in government economic policy is the primary reason for the improved business outlook. Importantly, price expectations have moderated, and helped to improve the financial outlook for consumers as well as the economy in general.

Favorable buying attitudes have remained near record low levels due to high interest rates--especially in the housing and car markets. In addition, the financial strains on consumers have led them to become more reluctant to incur new debt or to draw on savings in order to make major purchases. These results indicate that only slow gains in consumer sales can be expected during 1981.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106 • (313) 763-5224

Business Conditions

Following improvements during mid-1980, consumers' evaluations of current business conditions have remained largely unchanged during the past three months. Among all families, 68 percent in February 1981 felt business conditions were now worse than those of a year earlier, down somewhat from the 71 percent recorded in January 1981, and just above the 67 percent recorded in February 1980. During most of the past year the proportion of respondents who felt business conditions had worsened has ranged from 65 to 80 percent.

Although the near majority (46 percent) expected business conditions to remain largely unchanged during the year ahead, twice as many consumers expected business conditions to improve rather than worsen in the year ahead (34 percent versus 16 percent). In comparison with early 1980, this represents a substantial improvement, since at that time more families expected deterioration than improvement in business conditions (27 percent versus 21 percent). The most frequent reasons respondents gave for expecting improved business conditions involved spontaneous references to the economic policies proposed by the Reagan administration. In February 1981, 32 percent of all families mentioned the election of President Reagan and changes in government economic policy. Since the November 1980 post-election survey, each monthly survey has averaged nearly one-in-three respondents who expected improved business conditions because of changes in government economic policies.

When asked whether they expected a reduction in personal income taxes in the February 1981 survey, 58 percent of all respondents replied that they expected Congress to pass such a law, significantly above the 41 percent recorded in January, and more than twice the 25 percent recorded in the pre-election October 1980 survey (see Table A).

TABLE A

EXPECTED TAX REDUCTION

Expect Tax Reduction?	October 1980	November 1980	January 1981	February 1981
Yes	25%	46%	41%	58%
No	64	42	43	29
Uncertain; don't know	10	11	15	11
Not ascertained	1	1	1	2
Total	100%	100%	100%	100%

The question was: "Do you think personal income taxes will actually be reduced or rebated in the next 12 months--I mean, will Congress pass such a law?"

Unfavorable long-term business conditions were also expected by the majority in the February 1981 survey. Among all families, 55 percent reported that they expected bad times in the economy as a whole during the next five years, up from 49 percent in January 1981, but below the 61 percent recorded in February 1980.

Price Expectations Moderate

Price expectations continued to be maintained at lower levels in early 1981. Among all families, 35 percent expected price increases of 10% or more during the year ahead, largely unchanged from the 37 percent recorded in January, but significantly below the 50 percent who expected inflation to exceed 10% in February 1980. On average, consumers expected the rate of inflation to average 8.3% in February 1981, up somewhat from the 7.8% recorded in January, and significantly below the 10.7% recorded in February 1980.

Long-term price expectations also declined in early 1981. After rising to a high of 10.5% in February 1980, the expected average annual price increase during the next 5-10 years fell to 7.2% in February 1981 (see Table B). Since a year ago, when both short and long-term price expectations were nearly identical, long-term price expectations have fallen 3 percentage points compared with a 2 percentage point decline in short-term price expectations.

TABLE B

SHORT AND LONG-TERM PRICE EXPECTATIONS

Expected Annual Increase in Prices During Next ...	Feb. 1975	Feb. 1977	Feb. 1979	Feb. 1980	Feb. 1981
One year	8.7%	8.4%	10.4%	10.7%	8.3%
5-10 years	4.2	6.6	8.4	10.5	7.2

The questions asked were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" "By about what percent do you expect prices go go (up/down) on the average, during the next 12 months?"
"What about the outlook for prices over the next 5 to 10 years? Do you think prices will be higher, about the same, or lower, 5 to 10 years from now?" "About what percent per year do you think prices will go (up/down) on the average during the next 5 to 10 years?"

The unemployment rate was expected to increase during the year ahead by 40 percent in February 1981, up from 38 percent in January. Compared with November 1980, when unemployment was more frequently expected to decline than to increase (26 versus 24 percent), unemployment expectations were significantly less favorable in February 1981, with increases expected twice as frequently as expected declines (40 versus 16 percent).

The recent shifts in inflation and unemployment expectations have prompted consumers to give relatively greater emphasis to unemployment rather than inflation as the more serious economic hardship facing the nation. Although more families single out inflation than unemployment as the more serious economic hardship in February 1981, the proportion who singled out inflation has fallen from 68 percent in February 1980 to 56 percent in February 1981, while the proportion who feel unemployment to be the more serious economic hardship has risen from 24 percent in February 1980 to 34 percent in February 1981.

Personal Finances

Following modest improvement recorded during mid-1980, by February 1981 consumer evaluations of their current financial situation returned to near the record low levels first established in early 1980. Consumer evaluations of their own financial situation were largely unchanged in the February 1981 survey from one month earlier, and one year earlier readings. In February 1981, 47 percent of all families stated that they were worse off financially than a year ago, largely unchanged from the 45 percent recorded in January 1981 and 45 percent recorded in February 1980. In comparison, just 27 percent of all families reported that they were better off financially than a year earlier, largely unchanged from the 25 percent recorded in January 1981, and 30 percent recorded in February 1980. When asked to explain why their financial situation had changed during the past year, fewer respondents mentioned receiving income increases in February 1981 (25 percent) than in February 1980 (31 percent), while complaints of lowered living standards due to high prices were as frequent in February 1981 (47 percent) as in February 1980 (45 percent).

In contrast to their current financial situation, where unfavorable evaluations dominated responses, families expected their financial situation to improve during the year ahead more frequently in February 1981 (26 percent) than to worsen (20 percent). In addition, expected changes in personal finances were more favorable in early 1981 than in early 1980, when respondents somewhat more frequently expected a worsening financial situation (26 percent) than improvement (25 percent).

Expected changes in nominal family income remained at relatively unchanged levels during the past year. In February 1981, 27 percent of all families expected income increases of 10% or more during the year ahead (29 percent in February 1980), while 35 percent expected their income to remain unchanged or decline (34 percent in February 1980). The maintenance of nominal income expectations, coupled with some expected moderation in inflation, has resulted in some improvement in real income expectations.

When respondents were asked about their readiness to draw on savings or incur new debt in order to make a major purchase, an increased reluctance to use savings or incur new debt was recorded in the February 1981 survey. The proportion of families who reported that they were not especially reluctant to use savings to make major purchases was 26 percent in February 1981, down from 38 percent in February 1980. The proportion of families who were especially reluctant to use savings rose to 69 percent in February 1981 from 54 percent in February 1980 (see Table C). On balance, families were more reluctant to use savings for major purchases in early 1981 than at any time in the prior five years.

TABLE C

OPINIONS ABOUT WHETHER NOW IS A GOOD TIME TO USE SAVINGS FOR MAJOR PURCHASES

(Percentage distribution of families with savings)

	Feb. 1976	Feb. 1977	Feb. 1978	Feb. 1979	Feb. 1980	Feb. 1981
Okay to use savings; not especially reluctant	33%	37%	32%	32%	38%	26%
Pro-con	6	3	3	3	1	3
Not okay to use savings; especially reluctant	59	56	62	63	54	69
DK, NA	2	4	3	2	7	2
Total	100%	100%	100%	100%	100%	100%
Cases	1106	1096	1037	1150	966	637

The question was: "If there were a major purchase that you wanted to make, do you think that now is a time when it would be O.K. to use some of your savings, or is now a time when you would be especially reluctant to use some of your savings?"

Families are also more reluctant to incur new debt to make major purchases in early 1981 than during the prior five years (see Table D). Among all families, just 12 percent reported in February 1981 that they were not reluctant to use credit, down from 19 percent in February 1980. Families who reported that they were especially reluctant to use credit rose to 85 percent in February 1981 from 80 percent in February 1980.

TABLE D

OPINIONS ABOUT WHETHER NOW IS A GOOD TIME TO USE CREDIT FOR MAJOR PURCHASES

	Feb. 1976	Feb. 1977	Feb. 1978	Feb. 1979	Feb. 1980	Feb. 1981
Okay to use credit; not especially reluctant	20%	22%	20%	16%	19%	12%
Pro-con	5	2	2	1	1	1
Not okay to use credit; especially reluctant	74	71	77	82	80	85
DK, NA	1	5	1	1	*	2
Total	100%	100%	100%	100%	100%	100%
Cases	1269	1203	1135	1228	1019	668

The question was: "If there were something big that you wanted to buy, do you think that now is a time when it would be O.K. for you to buy it on credit, or is now a time when you would be especially reluctant to take on new debt?"

Buying Conditions

Small improvements in attitudes toward buying conditions for cars and houses were recorded in the February 1981 survey from month earlier readings, while small declines were recorded for attitudes toward buying conditions for hosuehold durables. Among all families, 39 percent reported favorable buying conditions for cars (up from 36 percent in January), 21 percent reported favorable buying conditions for houses (up from 18 percent in January), and 47 percent reported favorable conditions for household durables (down from 50 percent in January 1981). For each market, however, buying attitudes were significantly less favorable in February 1981 than in February 1980. High interest rates and